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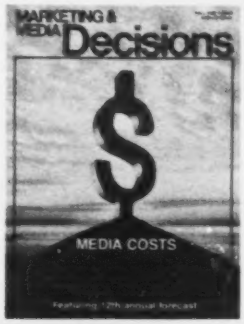
SPECIAL ISSUE

MARKETING & MEDIA Decisions

MEDIA COSTS

Six year trends • budgeting tips • production costs and controls • cost outlook for newspapers, magazines, net tv, spot tv, business press, net radio, spot radio, out-of-home, cable, syndication

Featuring 12th annual forecast



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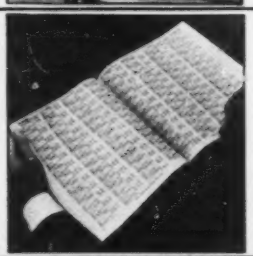

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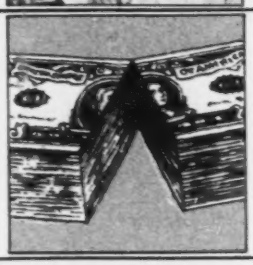

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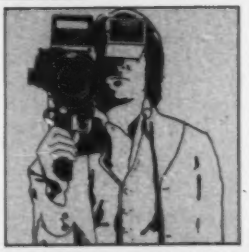

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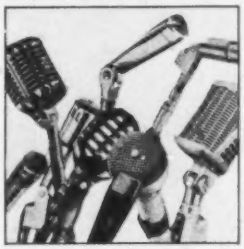

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Each agency has its own way of estimating cable costs. Clients are becoming more strident in demands for cpm guesstimates and realistic counts of audience totals and demographics.

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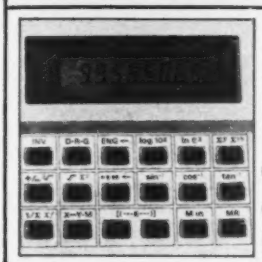

Budgeting practice of big advertisers
First-time report of how largest categories of consumer advertisers allocate advertising dollars. Based on Decisions' Top 200 Advertised Brands report. Also budgeting of lesser brands.

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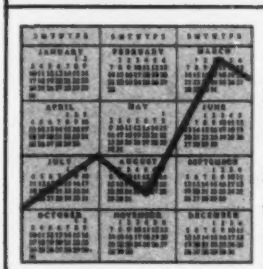

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Includes two aspects of seasonality: (1) When ad budgets are prepared and set; (2) Time of year that advertisers heavy-up in tv, newspapers, radio and magazines.

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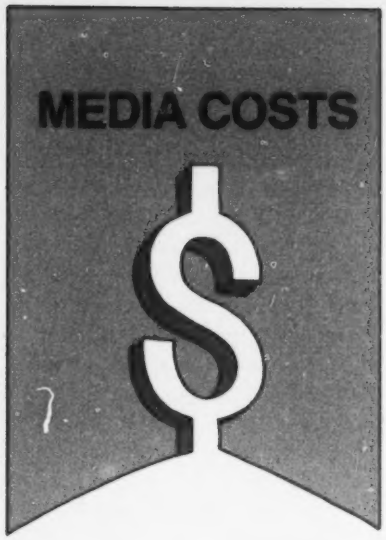


Forecast for '83

Unit cost for average national advertiser will rise 9.1% in calendar year 1983. This is top-line finding of 12th Annual Media Cost Forecast developed by *Decisions*. Other elements of report include estimates of audience and changes in cpm's in each of 10 major national media.

A panel of distiguished media directors and media research directors in large agencies has for the 12th time given *Decisions* their view of cost changes in media in the year ahead.

They expect a 9.1% increase in unit costs for the average national advertiser in calendar year 1983. This is an even steeper cost rise than they say is occuring currently in calendar year 1982 unit costs compared to 1981.

Cost increases in each of the ten major media markets covered in this report vary above and below that 9.1%, and increasing costs for an individual advertiser would be expected to vary to a lesser or greater extent depending on which media he uses most extensively. But the average national advertiser will have to increase his budget next year 9.1% in order to match the media units he bought in 1982.

Unfortunately cost rises of this dimension have been constant every year since 1970. Taking media costs in 1970 as Index 100, the Index for 1983 stands at 299 — a 199% increase in 13 years.

The *Decisions* panel also estimated the extent to which audiences would change in the year ahead — and, based on that, the increase/decrease in cost per thousands (cpm's). In previous reports, there have always been substantial audience increases to partially offset the unit cost hikes — and also to position cpm's with lower hikes than unit costs. Next year for the first time that will not be the case. While unit costs for the average advertiser will rise 9.1%, audience will decrease by 0.5% — pushing cpm's up to 9.6%.

The decrease in audience is principally in television segments, the media that consume 58% of national budgets, generated by the inroads of cable, satellite, video games, tv cassettes and other non-traditional uses of tv sets in homes. How this will affect budgeting and media pricing in the future remains to be seen.

The estimates of cost change in the individual media are as follows:

Nighttime network tv will show in 1983 the largest price increases of all the major media — up 10.7% in unit cost, almost a percentage point higher than in the previous year. This is in spite of the fact that nighttime network is expected to be hardest hit by shrinking audiences — estimated at 1.6% lower next year. Furthermore, the panel expects cpm's in this medium to go up a whopping 11.8%, more than for any other medium.

There was considerable variation in the estimates turned in by individual members of the *Decisions* panel. These are documented in one of the accompanying tables, ranging all the way from increase in cpm's from plus 7% to plus 18%. These wide differences doubtless reflect the recent varied successes of network negotiators seeking programs of varied popularity.

Daytime network tv is expected to make more modest demands in terms of price increases, but still considerably ahead of the previous year. Unit

costs in 1983 up 8.5%, cpm's up 9.4%. This compares with 1982 increase of 7% in unit cost and 7.4% in cpm.

Decisions panelists last year predicted that daytime net tv costs would go up a lot more this year than they did. Hopefully, the current prediction is again overly pessimistic.

Spot tv prices in 1983 will change just about as much as daytime net, according to the *Decisions* panel: Unit costs up 8.5%, cpm's up 9.4%. These changes will mirror those reported currently for 1982, with one exception. The expectation is for spot as well as network audience to trend downward next year, pushing cpm's up a lot more than the cost of the units.

Range in forecasts for spot were even wider than for nighttime network tv, indicating a year of insecurity for big agency negotiators. The state of the economy and of many big advertiser budgets is less than solid, leaving some forecasters quite optimistic about their bargaining power in the year ahead, some very pessimistic.

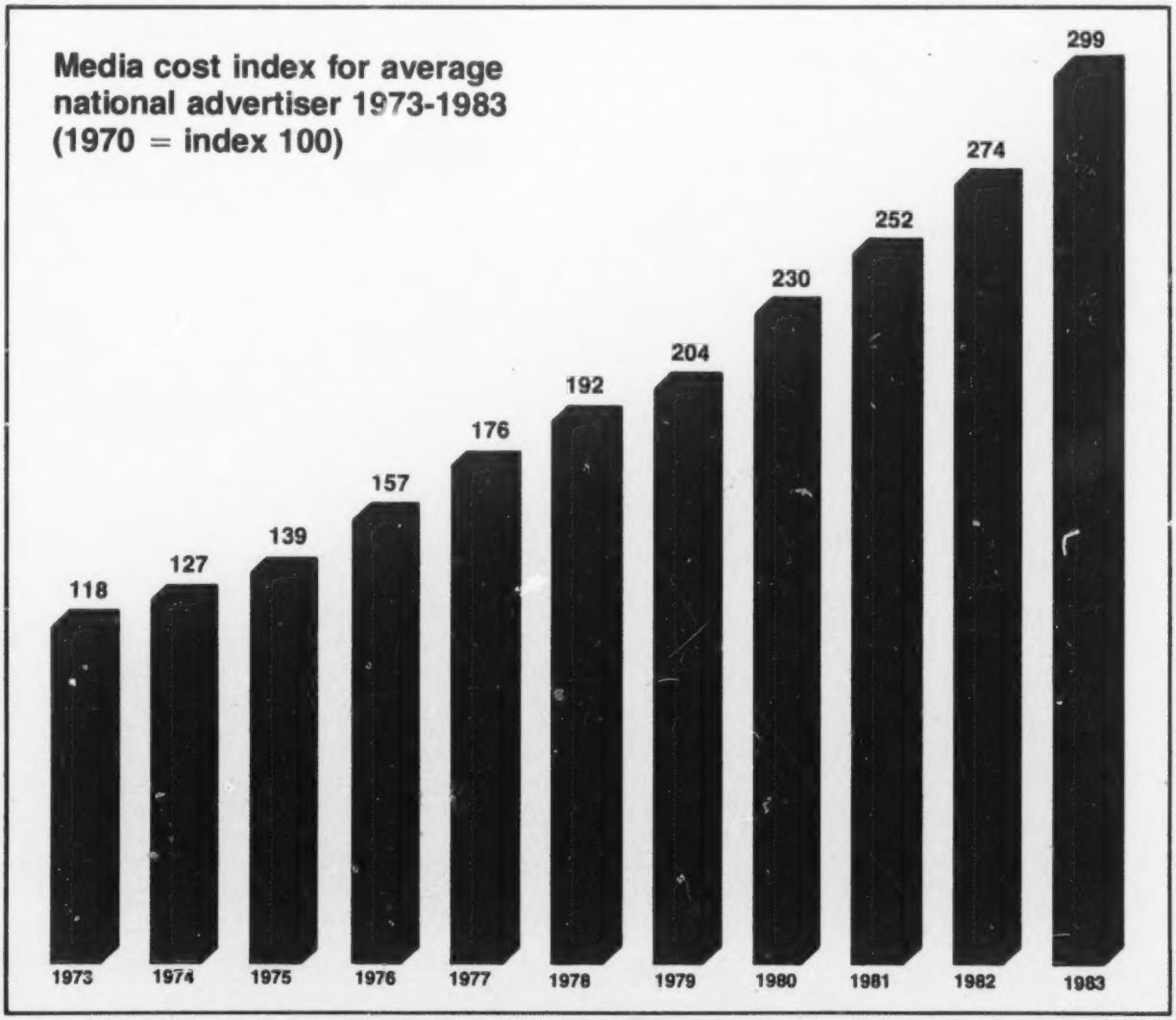
Network radio, which has shown considerable strength recently, is expected to rise 8.7% in unit cost, somewhat less than that in cpm — plus 8.0%. The forecasters see radio audiences gaining another 1%.

Spot radio unit prices, audience and cpm's will move up more slowly than network radio: unit prices, plus 8.4%; audience, plus 0.8%; cost per thousand, plus 7.3%. Rate of increase in both spot and network radio in 1983 will be about one percentage point more severe than in 1982.

Consumer magazines in both 1982 and 1983 reflect their present popularity among national advertisers in strong pricing. Unit prices of consumer magazines are up 9.3% in 1982 and will rise another 9.0% in 1983. Audiences continue to grow by about 1% a year. Cpm's rose 9.2% in 1982 and will rise another 8.9% in 1983.

A factor in this overall price advance for consumer magazines is the growth of special audience books in number and share of the magazine advertiser's dollars. The rates and cpm's of the more specialized books tend to be higher. But advertisers are apparently more willing to build-up their investments in them in order to reach the pinpointed target audiences they offer.

Consumer magazine prices would be going up a lot faster than they are if



it were not for revised audience-building tactics of many of the larger books. They have reduced the amount of money put into audience promotion, allowing circulations to fall back to more normal levels. They have also raised newsstand prices and circulation rates faster, in some cases, than advertising rates. These moves have also tended to keep ad rates well in line during the inflationary years. They have also tended to make audiences of specialized books more selective and valuable to national advertisers.

Sunday supps will price their units 8.9% higher in 1983, following a year in which they moved unit costs up 9.5%. Circulations rose about 1% last year, but will almost level off in 1983. The resulting cpm's will be up 9.0% in 1982, and up an additional 8.4% in 1983.

Daily newspapers will show the second highest unit cost rise in 1983 — up 9.6%, the *Decisions* panel predicts. This will be accompanied by a small loss in total circulation, making the cost per thousand rise also the second highest of the major media for 1983 — up 9.9%. Daily newspaper and nighttime network tv are the two major media in which national advertiser costs in 1983 will be above the average of 9.1%. Together, they account for 36% of national advertising volume, but their higher-than-average cost rises are not expected to deter use of either medium. In the case of newspapers, national advertisers will take a closer look at diverting more dollars into co-op advertising programs in order to move their newspaper investments into the much lower local rate columns.

This is the second year for newspapers to be more aggressive than most other national media in raising rates. In 1982 unit cost were up 9.4% and cpm's up 9.3%, while total audience moved up 0.6%, according to the estimates of *Decisions* panelists.

Outdoor posters will show a unit cost increase of 8.5% in 1983, which, with a 1.0% increase in audience, will produce +7.4% in cpm's. This carries forward a similar picture for 1982, when unit costs rose 8.7%, audiences were up 1.2%, and cpm's were up 7.9%. It is worth noting that drastic reductions in outdoor audiences predicted each time a gas shortage ap-

Anticipated media cost rises 1983 vs. 1982

	unit cost	audience	cpm
Average increases			
Nighttime network tv	+10.7%	−1.8%	+11.8%
Daytime network tv	+ 8.5	−0.7	+ 9.4
Spot tv	+ 8.5	−0.3	+ 9.4
Network radio	+ 8.7	+1.0	+ 8.0
Spot radio	+ 8.4	+0.8	+ 7.3
Consumer magazines	+ 9.0	+0.1	+ 8.9
Sunday supps	+ 8.9	+0.3	+ 8.4
Daily newspapers	+ 9.6	−0.3	+ 9.9
Outdoor posters	+ 8.5	+1.0	+ 7.4
Business publications	+ 8.5	+0.3	+ 8.5
Range in forecasts (the highs and lows)			
Nighttime network tv	+5 – +15%	−5 – +2%	+7 – +18%
Daytime network tv	+4 – +12	−3 – +2	+5 – +14
Spot tv	+1 – +16	−5 – +2	+5 – +12
Network radio	+2 – +15	0 – +3	+2 – +12
Spot radio	+5 – +13	0 – +2.1	+4 – +12
Consumer magazines	+5 – +11	−2 – +2	+5 – +11
Sunday supps	+4 – +14	−2 – +3	+1 – +13
Daily newspapers	+4 – +14	−5 – +2	+5 – +17
Outdoor posters	+4 – +14	0 – +3	+2 – +10.5
Business publications	+7 – +11	−0.5 – +2	+7 – +12

Current media cost rises: 1982 vs. 1981

	unit cost	audience	cpm
Average increases			
Nighttime network tv	+9.8%	−1.2%	+11.1%
Daytime network tv	+7.0	−0.4	+ 7.4
Spot tv	+8.5	−0.1	+ 8.6
Network radio	+8.0	+1.4	+ 7.1
Spot radio	+7.4	+1.2	+ 6.4
Consumer magazines	+9.3	+0.7	+ 9.2
Sunday supps	+9.5	+1.1	+ 9.0
Daily newspapers	+9.4	+0.6	+ 9.3
Outdoor posters	+8.7	+1.2	+ 7.9
Business publications	+9.1	+0.7	+ 8.9
Range in forecasts (the highs and lows)			
Nighttime network tv	+5 – +16%	0 – + 3%	+7 – +14%
Daytime network tv	−2 – +10	−8 – + 8	+5 – +10
Spot tv	+4 – +12	−4 – + 4	+5 – +12
Network radio	+2 – +12	0 – + 8	+2 – +11
Spot radio	+3 – +11	0 – + 8	0 – +10
Consumer magazines	+7 – +11	−2 + 10	+5 – +11
Sunday supps	+3 – +14	−1 – +13	0 – + 13
Daily newspapers	+5 – +14	−1 – +10	+1 – +14
Outdoor posters	+5 – +11	0 – + 9	+4 – +11
Business publications	+7 – +12	−1 – + 7	+7 – +12

Source: Decisions survey among leading advertising agencies

peared did not actually occur. The outdoor business continued to thrive and prices continued to rise. It's a safe bet they will contiue to keep pace with mediaflation throughout the business.

Future outdoor costs will be affected in particular by improvements in the medium. A growing factor is backlighting — more expensive but infinitely more effective. Another is new methods in blowing up photographic material that can be mounted on backlighted boards.

Business publications, with minimal growth expected in total audience, will up both their unit costs and cpm's 8.5% in 1983. This follows a 9.1% increase in unit costs and an 8.9% rise in cpm's in 1982.

The business publishers are subject to the same uncontrollable rises in paper and printing as are other print media. The postal rises, however, are a more significant problem to the business press than to others, because they have virtually no newsstand circulation.

The long-term trend charts, see page 36, do not include the track record for business publications to the extent that we have developed that record over the years. Here is our long-term index (with 1970 as Index 100):

Year	Index
1960	60
1961	62
1962	67
1963	70
1964	73
1965	77
1966	81
1967	84
1968	91
1969	96
1970	100
1971	108
1972	119
1973	125
1974	130
1975	139
1976	155
1977	165
1978	177
1979	192
1980	210
1981	229
1982	250
1983	271

Business publications over the years have been able to hold their cost increases to moderate jumps in spite of all the advances in costs experienced by other print media. Paper, printing, postage and people costs keep escalating for the business press publishers — just like for everybody else. Most of them distribute their copies via controlled circulation, and in recent years they have been increasingly strict in deciding who will get on the list.

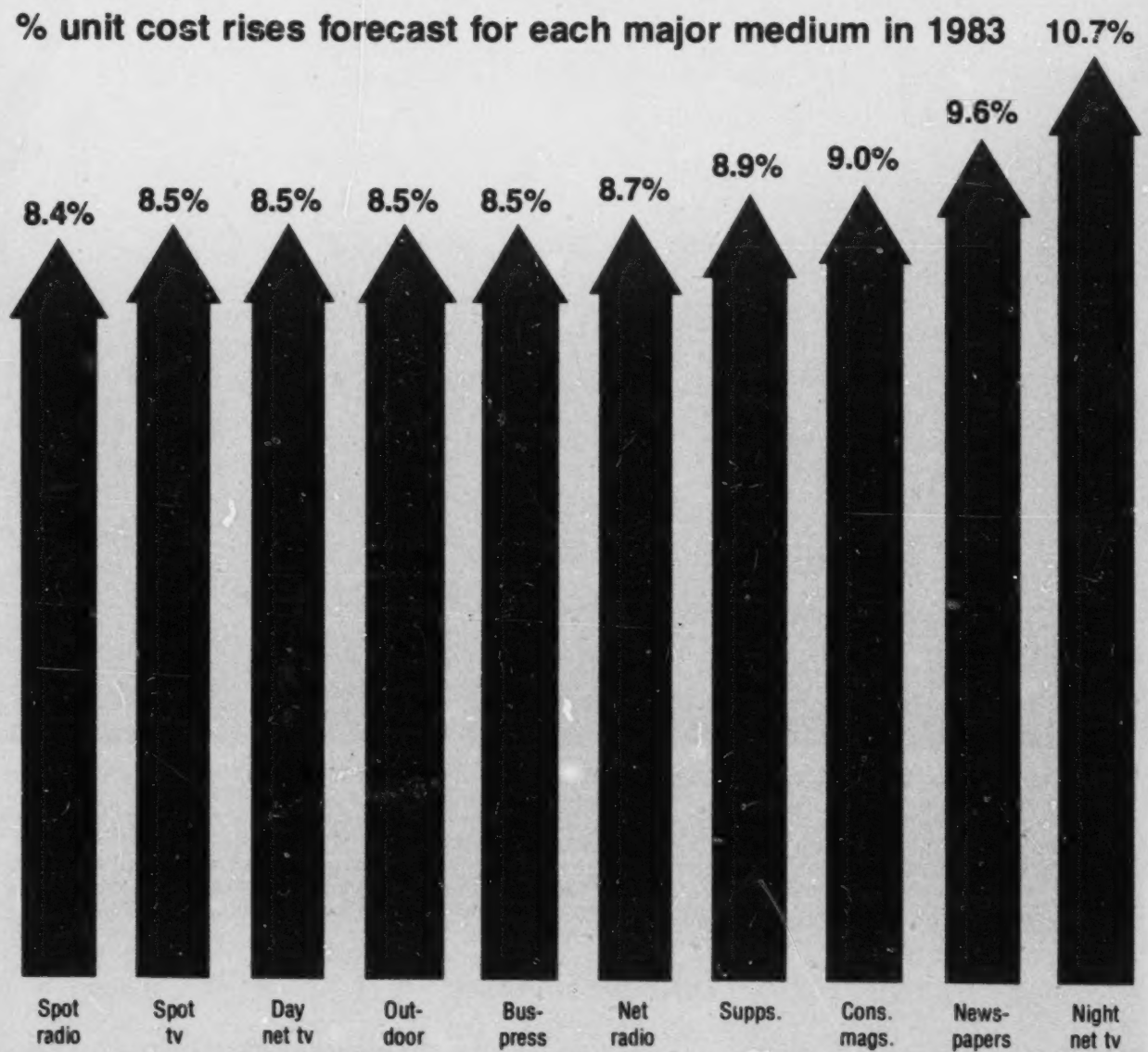
How good are these estimates?

We are often asked about the reliability of these reports. The following table shows the predictions we made for 1982 in August of 1981, compared to the actual unit cost picture as reported currently for each of the media.

	predicted last year	actual this year
Night net tv	+11%	+9.8%
Day net tv	+8.4	+7.0
Spot tv	+8.9	+8.5
Net radio	+8.5	+8.0
Spot radio	+7.6	+7.4
Magazines	+10.0	+9.3
Supps	+9.1	+9.5
Newspapers	+9.1	+9.4
Outdoor	+8.3	+8.7
Bus. pubs.	+9.2	+9.1

This does not appear to be too far off. As might be expected, the estimates made by the *Decisions* panel for the negotiated media show the widest spreads. The forecasters in August 1981 tended to estimate larger cost increases than what actually developed for those media. In the case of print, the estimates tended to be a few fractions of percentage points lower.

These estimates are used extensively by advertising agencies in developing their recommended budgets to clients for the following year. We feel sure that the panelists who contribute to this composite report do their level best to create an honest estimate. The uncertain aspects of the business climate this year has made the estimators somewhat cautious, but we have a long enough track record with these reports to believe the outcome. ■



The media track record

Joyce Romley, media research supervisor, Ted Bates, tracks media prices in each of the major media since 1970. Mediaflation is still continuous through 1982.

Ted Bates Advertising/New York has for some time prepared an annual media cost trend analysis. This particular study, with trend purposes in mind, tracks advertising expenditures, unit costs, audiences, and cost efficiences (cpm's) from 1970 through 1981.

A review of the past trends in measured economic indicators (CPI/GNP) provide a benchmark for our analysis. In the past we have identified 1976-79 as the "boom years," which serves as the immediate background to the '80's. However, our attention will focus on the early '80's, a period where government efforts to moderate the inflationary spiral appear to be taking hold.

A reappearance of single digit inflation in cpm's is occurring at this time for all nine media elements analyzed. The Consumer Price Index (CPI), an accepted measurement of the trend of inflation, will be used as a yardstick with which to compare increases in media efficiencies. Finally, we will provide forecasts of media efficiency increases for 1982.

The "Boom Years" 1976-1979

During this period there was generally a dramatic increase in cpm's across all media, especially in tv. On a cpm basis, the three tv elements demonstrated the following annual average percent increases: day network tv was up 17%, evening network tv increased 14%, and spot tv increased 10%. In contrast, the CPI accelerated at an 8% annual rate during this same period.

This clearly indicates that the television medium increased costs at rates

Ad Volume and Gross National Product

	Ad volume		GNP		
Year	Billions	Yr. to Yr. % Change	Billions	Yr. to Yr. % Change	Ad volume as % of GNP
1976	$33,690	+20	$1,718.0	+11	1.96
1977	37,920	+13	1,918.0	+12	1.98
1978	43,950	+16	2,156.1	+12	2.04
1979	49,529	+13	2,413.9	+12	2.05
1980	54,680	+10	2,626.1	+ 9	2.08
1981	61,650	+13	2,917.0	+11	2.11
1982 (est.)	68,500	+11	3,220.0	+10	2.13

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far exceeding growth of inflation during these four years, while all other media analyzed closely paralleled the CPI increases.

Ad volume performance

During these "boom years" the growth in total annual advertising investments exceeded the growth in gross national product (15% vs. 12%). For 1980 and 1981 a similar trend is occurring — an average 11.5% increase for ad volume vs. 10% for the GNP.

Cost trends 1970-1982 (1970 = index 100)

	Day net tv	Eve net tv	Spot tv	Maga-zines	News-papers	Supple-ments	Spot radio	Net radio	Out-door	Consumer price index
UNIT COST TRENDS										
1970	100	100	100	100	100	100	100	100	100	100
1971	94	96	102	100	104	99	106	111	108	104
1972	98	109	95	97	107	102	112	117	119	108
1973	113	124	95	97	114	109	119	119	123	114
1974	121	137	100	102	130	121	124	117	134	127
1975	140	147	102	107	144	131	132	123	144	139
1976	163	160	130	110	159	135	151	129	156	147
1977	204	203	137	119	173	156	166	148	172	156
1978	227	228	140	130	190	168	179	159	191	168
1979	247	256	160	140	205	183	193	171	212	190
1980	279	300	179	156	226	201	213	195	237	214
1981	288	306	188	169	250	220	234	232	262	234
1982 (est.)	302	330	197	180	274	242	253	255	285	251
AUDIENCE TRENDS										
1970	100	100	100	100	100	100	100	100	100	
1971	107	103	104	99	100	98	104	112	104	
1972	116	110	103	97	101	99	104	132	107	
1973	119	111	105	98	102	102	111	134	108	
1974	115	112	108	99	100	104	113	132	108	
1975	127	120	110	97	98	108	114	136	110	
1976	119	120	112	97	98	108	117	130	111	
1977	116	121	112	96	99	106	119	136	112	
1978	119	125	115	96	100	112	121	138	113	
1979	123	125	121	96	100	112	124	139	113	
1980	126	128	125	96	101	113	128	151	115	
1981	121	123	125	97	102	113	131	166	115	
1982 (est.)	121	123	125	97	103	114	133	168	117	
COST-PER-THOUSAND TRENDS										
1970	100	100	100	100	100	100	100	100	100	100
1971	87	93	98	101	104	101	102	99	104	104
1972	84	99	92	100	107	103	108	89	111	108
1973	95	111	91	99	112	107	108	89	114	114
1974	105	120	93	103	130	116	109	89	123	127
1975	110	122	93	111	147	121	115	90	131	139
1976	137	133	116	113	161	125	129	99	140	147
1977	177	167	122	123	175	148	140	108	153	156
1978	191	182	122	135	190	150	148	116	169	168
1979	200	205	133	146	205	163	155	123	188	190
1980	222	232	144	162	224	178	166	129	208	214
1981	239	248	150	174	244	195	178	139	228	234
1982 (est.)	250	267	158	184	266	212	190	151	244	251

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In 1960 the ad volume percentage of the GNP peaked at 2.36. Thereafter, throughout the '60's and early '70's a gradual decline occurred. However, in 1975 after dropping to 1.81, a reversal of this trend began, coinciding incidentally with the onset of the "boom years." This upward trend has continued through 1981, and our estimate for 1982 is 2.13.

In 1981 national advertising expenditures totaled over $17 billion which accounts for 28% of *total* advertising volume. This relationship has been uniform since the onset of the "boom years" (1976-1979).

Start of "dis-inflation" in 1981

In 1981 the industry has experienced a return of single digit cpm increases across all nine media elements analyzed — the first time this occurred since the early '70's. In fact, no cpm increases for any media element exceeded the 9% CPI growth rate during this year.

Interesting, both network and spot tv cpm's increased at roughly half the rates exhibited during the "boom years" and 1980. On the other hand, radio, print and outdoor have maintained single digit increases comparable to those experienced during this same base period.

Network radio, however, exhibits a unique pattern in that it experienced an 8% cpm increase during 1981 compared to only a 5% increase the previ-

National as percent of total ad volume

	Total (millions)	National (millions)	National as a % of total
1976	$33,690	$ 9,308	28%
1977	37,920	10,604	28
1978	43,950	12,199	28
1979	49,520	13,862	28
1980	54,680	15,260	28
1981	61,650	17,155	28

Percent average yearly increases in CPM

	76-79	1980	1981	1982*
Broadcast				
Day net tv	17%	11%	7%	5%
Eve net tv	14	14	7	8
Spot tv	10	8	5	5
Net radio	8	5	8	9
Spot radio	8	7	7	7
Print				
Magazines	7	11	7	6
Supplements	8	9	9	9
Newspapers	9	9	9	9
Outdoor				
Posters	9	11	9	7
CPI	8	12	9	7

*Projections

National dollar expenditure trends 1970-1981

	Network tv	Spot tv	Magazines	Newspapers/ supplements	Radio	Outdoor
1970	100	100	100	100	100	100
1971	96	93	106	111	107	112
1972	109	107	111	124	111	125
1973	119	112	112	125	110	130
1974	129	121	116	134	111	132
1975	139	132	113	137	122	143
1976	172	175	138	169	145	164
1977	209	179	167	188	159	188
1978	240	209	201	201	179	199
1979	277	233	227	254	193	231
1980	309	265	250	272	219	244
1981	334	300	271	318	253	256

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Mediaflation in "Boom Years" 1976-79
(Percent annual cpm increases)

	1976	1977	1978	1979	1976-1979
Broadcast					
Day net tv	+25	+29	+ 8	+ 5	+17
Eve net tv	+ 8	+26	+ 9	+12	+14
Spot tv	+25	+ 5	± 0	+ 9	+10
Net radio	+10	+ 9	+ 7	+ 6	+ 8
Spot radio	+12	+ 9	+ 5	+ 5	+ 8
Print					
Magazines	+ 2	+ 9	+ 9	+ 8	+ 7
Supplements	+ 3	+19	+ 2	+ 9	+ 8
Newspapers	+10	+ 9	+ 8	+ 9	+ 9
Outdoor					
Posters	+ 6	+ 9	+11	+12	+ 9
Consumer price index	+ 6	+ 7	+ 8	+13	+ 8

ous year. We believe there are two major contributing factors for this rise:

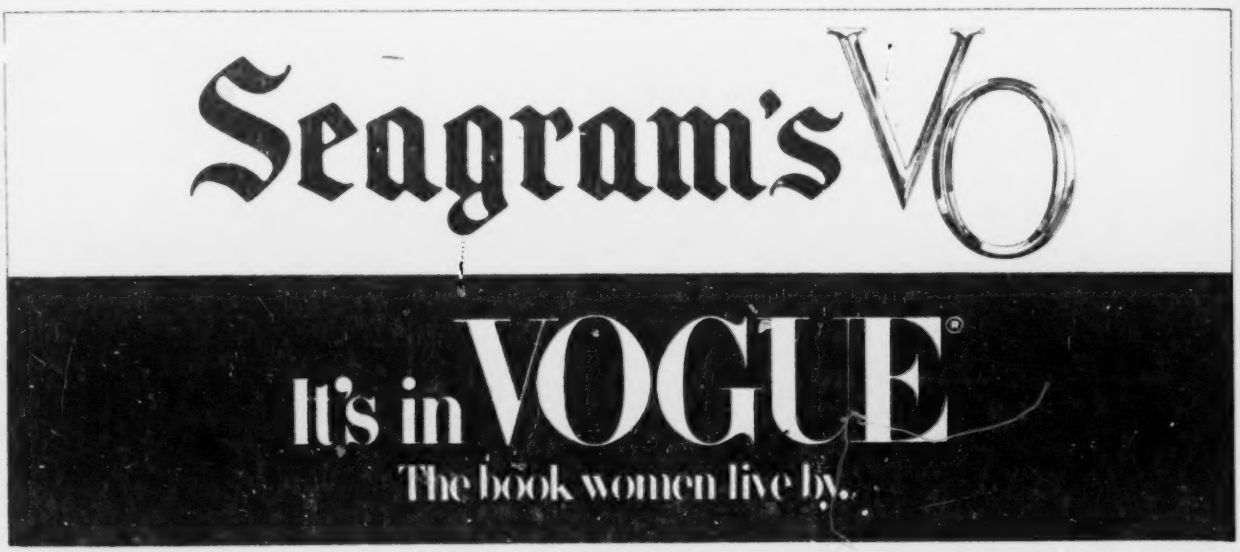
(1) network radio has traditionally operated with a "limited" inventory base

(2) the development of new, narrowly targeted networks has escalated demand for this medium.

Media cost comparisons are important in determining advertising's role in the marketing plan, in developing advertising budgets, and evaluating media alternatives. As media costs rise, media plans must be modified, and each medium has to be reevaluated. Consequently, cpm forecasts play a vital role in the media planning process. Bearing this in mind, we anticipate moderate cpm increases in network tv: 5% for daytime and 8% for evening. Spot tv should increase at the same rate as in 1981 — 5%. Network (9%) and spot radio (7%) should experience similar increases in cpm's as those that occurred in 1981. Magazine (6%) and outdoor 7% CPI growth, while newspapers and supplements should exceed this CPI growth rate with 9% cpm increases. In conclusion, 1982 media costs will *still rise* in spite of economic difficulties — high unemployment, a stagnating GNP, and high interest rates.

If the government is successful in ratcheting down inflation (given the historical correlation between media CPM increases and the CPI), it is probable that this moderating trend in media pricing might be a sustained one bringing with it welcome relief to advertisers.

The tables at the end of this report show trends in index form, with 1970, the base year, indexed at 100. These estimates are based on unit costs of 30 seconds for tv and network radio, 60 seconds for spot radio, one page four-color for magazines, milline black and white for newspapers, one page black and white for supplements and 100 showing for outdoor. Audience levels and cpm's are based on women 18 plus for day network; total persons 2 plus for evening network; tv households for spot tv; persons 12 plus for radio; circulation for magazines, newspapers and supplements; and total population for outdoor. Sources for audience information are: Network and spot tv — A. C. Nielsen; network radio — "RADAR"; spot radio — Arbitron. *Joyce Geller Romley*



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Rate setting for magazines

Magazine consultant James B. Kobak explains how consumer magazines and business publications set their rates. Sprinkled through this veritable text book on publishing are a wealth of ideas for the cost-conscious print media planner and buyer.

In recent years, the magazine industry in general has been quite healthy. There are now more magazines, more magazines with over a million circulation, and more publishers with greater profits than ever before. Prices, for both readers and advertisers, are at their highest levels. Advertising is at a peak.

The current era in magazine publishing is often characterized as based on the rise of the "special interest" magazine. In actual fact, almost all magazines are — and have been — "special interest." *TV Guide*, with its huge circulation, serves a special interest, as do *Good Housekeeping* and *Popular Photography*. General interest magazines are few and might include *Reader's Digest*, *Life*, *People*, and possibly a handful more.

"The current era in magazine publishing is often characterized as based on the rise of special interest magazines. In actual fact, almost all magazines have always been special interest media" — Jim Kobak

Determining advertising rates

Advertising rates are not set — as some would have you believe — by some all-seeing God in his hideway on top of the mountain. There are two major aspects which come into play:

1. The perceived value of magazine advertising to advertisers and their agencies. The buyer is as much a factor in the setting of rates as is the publisher.
2. The rate which the publisher must have in order to make a profit.

Many factors go into advertisers' determination of the value of magazine advertising. The major ones are:

RESULTS — Only a handful of advertisers can measure actual results from advertising in magazines — or in any other media for that matter. These

few are in the direct response business where careful and detailed records are kept of the results of each advertisement. If a profit cannot be earned, the magazine is simply not used again.

AUDIENCE REACHED — Probably the most researched area in the advertising business has to do with the demographics, geographic location and buying habits of magazine audiences. While different advertisers look for different qualities, they all carefully review audience characteristics. The tools used include syndicated research, circulation audits, and private research carried on both by the magazines and the advertisers themselves. In business magazines careful data is kept on the size and nature of the companies involved and the influence of each recipient on buying decisions.

READERSHIP — A good audience is of no value if the magazine is not read. Further research is normally done to prove the amount of time which is spent reading an issue, the number of pass-along readers (which increases the total audience claimed) and the length of time an issue is kept. In business magazines the number of reader service cards filled in by recipients is considered a good indication of the readership of a magazine.

EDITORIAL CLIMATE — The nature of the editorial material is important to most advertisers. For instance, food advertisers may want to be in a magazine which features food. In other cases, such as corporate image advertising, it is important to be in a magazine which has an upscale image.

VITALITY — Various features are considered to be indicators of the vitality of a magazine, such as the amount of single copy sales, circulation trends, price charged for single copies and subscriptions, copies serviced in arrears, difficulty of obtaining new subscribers, renewal rates, and other circulation data. For most consumer magazines much of this data is not readily available, although a few with very strong circulation stories use it to good effect. This type of infomation, of course, does not come into play for controlled business magazines, but can be used for those which are paid. The controlled publications play a different game. They show vitality through the percentage of recipients who have requested the magazine, and how recently those requests were made.

NUMBER OF READERS — For some mass marketers "tonnage," the number of people who see a magazine, is very important. For others it is more important that the right people — and only the right people — see it. This would be most important, of course, with business magazines, but also is true for most special interest consumer magazines.

PAID VS CONTROLLED — Controlled circulation is completely ac-

Magazine industry dynamics
Selected Years 1950-1981

	1981	1980	1970	1960	1950
CONSUMER MAGAZINES					
Number including farm publications	1,541	1,506	1,182	1,005	NA
Advertising in major magazines per year					
Pages (per year)	121,500	115,266	76,924	74,861	67,392
Dollars (millions per year)	$ 3,222	$ 2,374	$1,169	$ 830	$ 397
Circulation per issue					
ABC audited magazines (millions)					
Single copy	87	91	70	62	62
Subscription	203	174	173	128	85
Total	290	265	243	190	147
BUSINESS MAGAZINES					
Number	2,675	2,364	2,376	2,310	1,772
Advertising in major magazines					
Pages (thousands per year)	1,776	1,480	1,093	1,200	750
Dollars (millions per year)	$ 2,156	$ 1,495	$ 836	$ 547	$ 234
Circulation per issue (millions)	70	66.8	62.3	47.8	24.3

Source: Magazine Publishers Association (MPA); American Business Press (ABP); SRDS.

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"For some mass marketers, tonnage is important; for others only that the right people read the magazine" — Jim Kobak

ceptable in the business magazine arena — where only in a few fields is paid circulation considered important. In the consumer field only rarely is controlled circulation acceptable, although a good number of publishers have tried to establish its viability over the years. Airline in-flight magazines have had the most success, probably because of the obviously large readership among business people, as well as the familiarity of advertising and agency people with the magazines. Magazines such as the *Dial*, which is sent to Public Television members, must do special research to convince advertisers that it is read by the recipients.

CLUTTER — Important to some advertisers is the appearance of clutter in magazines which carry lots of advertising. They like their ads to face editorial matter or to be in other important postions.

SIZE OF THE PAGE — Digest-sized magazines cannot command the same price as can standard or larger sized, even though any difference in impact on the reader may be difficult to document.

COMPETITION — In highly competitive fields, such as the women's market, competition among the magazines tends to result in advertising rates substantially lower than those for magazines with relatively similar characteristics in other fields. *Cosmopolitan*, for instance, has a black-and-white cost per thousand under $10, while *Sports Illustrated*, with about the same circulation, is over $15.

COMPETITION WITH OTHER MEDIA — Although comparisons with tv, radio, newspaper and other media are obviously difficult, if not impossible to make, advertisers do compare rates using various formulas whose accuracy is more or less suspect.

PROMOTION AND SALESMANSHIP — In some cases magazines have been able, through creative selling, to develop a certain mystique about their editorial appeal, the nature of the audience, or some other feature, which enables them to charge rates which are higher than one would expect from all the empirical measures which are available.

DOLLARS INVOLVED — An advertiser will consider the rate charged by *Family Circle* at $60,000 or more per page with a great deal more care as to the cost per thousand readers than he will for *Town & Country*, at just $8,500 a page, simply because the numbers involved are so different.

The net of the situation from the advertisers' standpoint is this. Everyone in the business knows that, except for direct response advertising, it is very difficult at best, and probably impossible at worst, to measure the results of advertising or of the specific media used. Buying time or space is a combination of statistical research and subjective judgement, as the list of factors involved indicates.

Despite this, advertisers and agencies have devised very sophisticated techniques and computer programs to take as much of the guesswork out of the process — or at least to insure that certain statistical standards of demographics, buying influences and other semi-measurable items are met before the subjective points can be put in to play. And where magazines are competitive, or seemingly competitive with each other or with other media, great store is placed in the relative "efficiency" of the price which is paid.

Economics of rate setting

To understand the situation of a publisher as he contemplates his advertising rates requires some understanding of the economics of magazine publishing. These economics are

"The most researched area in the advertising business has to do with the demographics, geography and buying habits of magazine audiences" — Jim Kobak

somewhat unusual because a magazine has several revenue streams — advertising, subscription, newsstand, and sometimes others — all in one product.

These revenue streams are interdependent. For instance, you cannot consider an increase in the advertising rate base to bring about a higher advertising rate without taking into account the promotion cost involved in obtaining more readers as the price you can get from them. A publisher must keep a delicate balance between his various costs and the value of a reader to advertisers.

Because of the complexity, more than a thousand magazines have made use of the Magazine Publishing Model of Kobak Business Models in doing their forward planning and projections to determine the best course. This computer model encompasses all the income and costs factors in the publishing business and enables publishers to play "what if" games in a very short time at minimum costs.

Factors a Publisher Must Consider

The major factors which determine the advertising rates which a magazine must charge for profitable operations are these:

Consumer magazines ad rate index

	Unit rates	Cost-per thousand	Consumer price index
1970	100	100	100
1977	119	123	156
1978	130	135	170
1979	140	146	190
1980	156	162	214
1981	173	179	238
1982 (est.)	190	197	252

Source: James B. Kobak

Magazine cpm rate increases compared to other media

	1970-1977	1977-1982	1970-1982
Consumer magazines	23%	60%	97%
Business magazines	28	34	72
Day net tv	77	41	150
Eve net tv	67	64	174
Spot tv	22	34	64
Newspapers	75	51	184
Supplements	46	43	111
Spot radio	40	38	90
Net radio	8	34	45
Outdoor	53	61	146
Consumer price index	56	62	152

Source: Magazine Publishers Association, Paine Webber Mitchell Hutchins, Marketing & Media Decisions

Ease – or difficulty – of obtaining circulation at a good price — Because this complex factor is of great importance, a discussion of circulation economics is in a separate section.

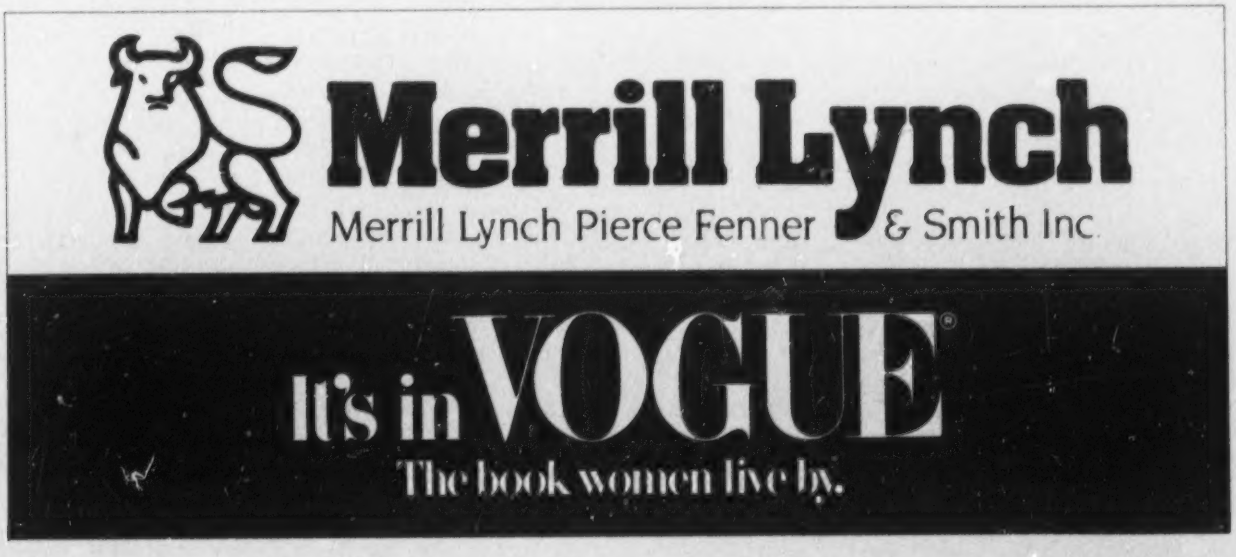
Basic costs of publishing — Publishers must, of course, consider the costs they must pay and the changes which may take place in them. Some 90% of a publisher's expenses are concerned with paper, printing, postage, and other delivery, and salaries, payroll taxes and fringe benefits.

Amount of circulation — Publishing costs can be divided between fixed and variable, as in most any business. The major cost items fall roughly this way:

Fixed
Salaries
Payroll taxes, fringe benefits
Composition and stripping
Color separations
Makeready on the press
Start-up paper waste
Manuscripts, artwork
Office
Occupancy
Other administration

Variable with the amount of circulation
Printing and binding
Ink
Magazine postage
Circulation promotion
Subscription fulfillment
Salesman's commissions

It is obvious that a magazine with a million circulation can spread the fixed



"My Ad Paid For Itself In 10 Days."

"I have long believed that the best advertising medium for ARCsoft would be a consumer-oriented, newsstand type computer magazine.

When McGraw-Hill announced Popular Computing, I began advertising in the first issue.

Within 10 days I had recovered my investment. Subsequent orders have convinced me that I can *triple my money* each month with my Popular Computing ad."

Tony Curtis, President
ARCsoft Publishers

POPULARIZE YOUR AD.

Get the full story from your nearest Popular Computing representative. Or call Tom Harvey, Advertising Director, at **603-924-7123.**

NATIONAL ADVERTISING SALES REPRESENTATIVES:

NORTHEAST
(617) 262-1160
McGraw-Hill Publications Co.
607 Boylston Street
Boston, MA 02116

MIDWEST
(312) 751-3700
McGraw-Hill Publications Co.
Blair Building
645 North Michigan Avenue
Chicago, IL 60611

MID ATLANTIC
(203) 359-2860
McGraw-Hill Publications Co.
300 Broad Street
Stamford, CT 06901

NORTHWEST
(415) 362-4600
McGraw-Hill Publications Co.
425 Battery Street
San Francisco, CA 94111

SOUTHEAST
(305) 563-9111
McGraw-Hill Publications Co.
3000 N.E. 30th Place
Fort Lauderdale, FL 33306

SOUTHWEST
(714) 557-6292
McGraw-Hill Publications Co.
Building #1, Suite #222
Costa Mesa, CA 92626

POPULAR COMPUTING
P.O. Box 397, Hancock NH 03449

Consumer magazine revenues

	Advertising	Subscriptions	Single copy
1970	54.33%	27.91%	7.76%
1977	55.47	23.59	14.94
1978	53.69	28.07	17.84
1979	52.22	30.41	17.37
1980	51.14	32.67	16.19
1981	51.08	33.30	15.62
1982 (Est.)	51.00	34.00	15.00

Source: Magazine Publishers Association

costs over many more copies than one with 100,000. The advertising rate per thousand, then, can be much lower, even though the absolute rate per page will be higher.

Please also realize that the so-called fixed costs are not as inflexible as they may seem. The million circulation magazine will probably have a larger payroll than the smaller magazine simply because there is more room in the figures to support it — and the risk of failure can be much more expensive.

Physical page size — It goes without saying that the costs of paper, printing and distribution for a digest-size magazine are much smaller than for standard — or larger — size. This is one of the reasons *Reader's Digest* can charge $4.58 per thousand while *Family Circle* is at $7.22. As previously noted, however, it might be hard to argue that the advertiser didn't get the same value despite the difference in page size.

Quality of the Product — The physical product for some magazines, such as *Architectural Digest*, is designed to present a quality image which can command higher circulation and advertising rates. This requires heavy, expensive paper, the best photography and color separations and fine printing. The costs necessarily are higher than for other magazines.

Frequency — The number of issues per year also affects costs. When *Family Circle* went to 17 issues, it had a broader base over which to spread its fixed costs, although this may not have been the major reason for making the move.

Amount of potential advertising — The existence of a larger advertiser base allows a magazine to operate successfully at lower rates than one with

Business magazines ad rate index

	Unit rates	Cost per thousand	Consumer price index
1970	100	100	100
1977	137	128	156
1978	141	132	168
1979	149	140	190
1980	157	148	214
1981	166	156	236
1982 (Est.)	181	172	252

Source: The Weber Marketing Group, Inc.

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Consumer magazines circulation price index

	Average single copy price		Average yearly subscription price		Consumer price index
	$	Index	$	Index	
1970	8.65	100	57.16	100	100
1977	1.11	176	13.39	167	186
1978	1.21	192	14.86	208	168
1979	1.33	211	16.30	226	190
1980	1.48	235	16.75	234	214
1981	1.62	257	18.06	252	238
1982 (est.)	1.76	283	19.87	276	252
	1970-1977 increase		76%	80%	
	1977-1982		87%	48%	

Source: Magazine Publishers Association, Marketing & Media Decisions

Magazine publishers' cost increases

	Paper	Printing	1st class postage	2nd class postage	3rd class postage	Salaries
1970	100	100	100	100	100	100
1977	175	171	217	218	197	161
1978	197	186	250	290	221	172
1979	211	200	250	343	221	181
1980	235	220	250	343	221	202
1981	259	242	300	321	274	226
1982 (Est.)	289	256	333	346	287	253

only a limited number of potential advertisers.

Place in magazine's life cycle — Generally magazines charge somewhat along this scale during various periods in their life cycles:

INFANCY — reduced rates and special discounts in order to get advertisers to go into the first year's issues.

CHILDHOOD — low rates on a dollar basis because the circulation is small. On a cost per thousand basis, however, the rates may be quite high.

TEEN AGE — rates about average for the type of magazines.

MANHOOD — when the magazine is at its peak, it can charge a premium over competitive publications.

MATURITY — this is generally a long period during which rates would be competitive.

OLD AGE — As the magazine declines, rates are reduced to lure any advertisers possible while the magazine tries to develop profits as long as it can before its demise.

When the magazine was started — Many older magazines are saddled with historical rate structures which make it difficult to increase as much as they would like. Most new magazines, after doing their modelling of future projections, are started with higher advertising rates so that they can develop substantial profits.

Discounts and premiums

It must be apparent by now that there is no standard for setting adver-

United States Virgin Islands

It's in VOGUE®

The book women live by.

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tising rates and that each magazine is an entity unto itself which reaches its rate conclusions based on a long, complex and often subjective calculation. Added to that are a complicating group of factors in the form of discounts and premiums. These have the further effect of changing the basic rate which is charged:

PREMIUMS — 2 color — range from 5-25% additional over the black & white rate

4 color — range from 20-60% additional over the black & white rate

Bleed — range from 0-15% additional over the regular rate

Added charges are also made for various regional and other split run editions, for small space advertisements, for covers and other special positions.

DISCOUNTS — Virtually all magazine shave discounts for frequency. Many magazines have discounts for various types of advertisers whom they think enhance the nature of the magazine. These are generally in the 20-30% range. The home service publications, for instance, give discounts for mail order and other retail. Others have discounts for travel, books and other categories.

A few magazines have hidden discounts by having their advertising rate bases substantially lower than the actual circulation. *Cosmopolitan*, for instance, has a rate base of 2,250,000 while its December, 1981 ABC circulation was 2,849,000.

As you might expect, the lower premiums and higher discounts are more prevalent in those areas where the competition is fiercest. In the women's field, for instance, a single magazine might have a string of discounts like these:

Frequency discounts
Volume discounts
Growth discount
Consecutive page discount
Maximum-plus discounts
Fabulous food discount
Guaranteed volume planning discount

Many magazine will also sell "remnant," or "stand-by" space at lower rates in order to fill out a specific signature.

There has also been talk recently of some magazines giving off-the-card discounts. Traditionally the magazine industry has adhered quite strictly to rate card rates. If this type of discount becomes prevalent, the magazine business will be thrown into the same kind of bargaining situation which exists in broadcast. This does not seem likely, however, because a magazine's cost structure forces it to certain levels of rates. And magazines do not have the limits on the amount of time which is available, as broadcast does. They can always simply add more pages.

Changes in ad rates

For consumer magazines advertising rates are almost double what they were in 1970 (Table on page 44). This increase is much less than the Consumer Price Index and less than the other major national media except for radio (Table on page 44). There has been marked difference, however, between the period 1970-1977 and the years

Hey, Benton & Bowles, want a new, improved magazine for new, improved Crest?

Your ads are bright, bold and bound to have impact in the new, improved Ladies' Home Journal.

Where the editorial has more reach and excitement than ever before—25% more pages than just a year ago. Filled with the latest advances in health and beauty, fitness and self-improvement. Mixed with strong, involving articles and first-rate fiction.

Where the graphics have more punch and new roto presses spin out your ads in their full rich colors.

Take a look at yourself in the Journal. It's an exciting place to be seen.

"There has been talk of magazines giving off-the-card discounts. This does not seem likely because a magazine's cost structure forces it to certain rate levels" — Jim Kobak

since then. Consumer magazine prices grew by only 23% during the earlier period, but since then have increased by 60%, close to the general cost index.

During the 1970-1977 period publishers began to realize that readers love their magazines and were willing to pay more (Table on page 48). Single copy rates increased by 76% during this period; subscription prices have pretty well kept pace with the consumer index.

The change in the mix of advertising vs circulation is clearly shown in Table on page 46 where total income is about half from readers and half from advertisers.

Business magazines have shown a somewhat different trend. Increases in advertising rates have lagged far behind virtually all indices during the past inflationary periods, increasing just 75% since 1970 (Table on page 46). At the same time subscription income, for those magazines which are paid, has been increased 2 1/2 times (Table on page 53). Again, this has helped these magazines keep advertising rates in check. The mix of advertising revenue to total has remained a relative constant 70% through the period (Table on page 53).

Increases in cost factors

Publishers have been affected by the inflationary spiral just like everyone else. In fact, most of the major costs have increased faster than the indexes

PLAYBOY INDUSTRY VIEW: CHARLES PARLATO

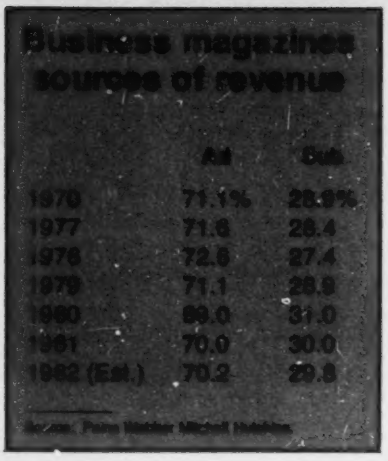
comments on quality-audience concentration, from the vice-president/director media planning, scali, mc cabe, sloves

PHOTOGRAPHY BY JOOK LEUNG

"At Scali, we have many upscale products—and the customer for them is less affected by the economy. We want to put constant pressure against this audience."

"So we go to the magazines with the track record for consistently delivering this quality audience. Then we put numbers aside and look at each publication."

"What it comes down to is how the magazine influences purchases through editorial and ad content—how persuasively it lays out a banquet of good things for the reader."



for the economy as a whole (Table on page 44).

The index for paper prices may be a little misleading. During 1976-1980 there was a severe shortage of paper and many publishers had to buy much of their supply overseas at upset cost. More recently paper mill capacity has been expanded and, for the time being at least, there is a buyers' market.

Printing costs have risen faster than would normally be anticipated, primarily because of soaring prices for ink, which is oil based.

Postage costs have been one of the fastest growing items in the country. In addition to the Second Class postage which is used to mail the magazines themselves, publishers are also heavy users of First and Third Classes in doing their direct mail efforts, renewal series and billing for credit subscriptions.

Salary increases in publishing have been about in line with consumer inflation. Not shown here, however, are the huge increases in payroll taxes which all employers must bear. Social security alone is five times as costly today as in 1970 for those paying the maxiumum amount. Most of this increase has been in the past few years.

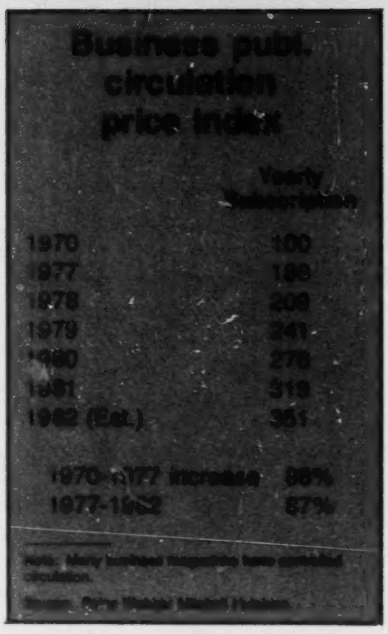
What publishers are doing to combat cost increases

In recent years a number of technological improvements have been made in the various operations which must be performed in producing a magazine. Many publishers have taken advantage of these — and have made other moves as well which have resulted in being able to hold their own price increases at a lower level than the individual costs they have to pay. The list of efforts is impressive:

• **Change page size** — A number of publishers which were publishing oversize magazines have gone down to the so-called standard size (about 8½ x 11). The cost savings in paper and postage are enormous. For instance, a change from 10 x 13 to 8½ x 11 saves close to 30% of the paper cost and 25% of the second class postage costs.

• **Change trim size** — Even within the standard size, it is now rare that a magazine is actually 8½ x 11. You will find that most are 8¼ x 10⅞, 8 x 10⅞, 8 x 10⅜, 8 x 10½ or some other variation close to these. This is usually a function of the size paper which the presses they use can take. While this may not seem very important, a simple change from 8⅛ x 11 to 8 x 10½ saves 6% of the paper cost and 5% of postage. This can be a very big number.

• **Paper weight** — there seem to be constant improvements in the quality of paper which can be produced at lower base weights — and publishers are constantly changing to take advantage of this.



• **Change in printing method** — It was not too long ago that most magazines were printed by letterpress. Today it is rare to find one using this method. There has been a major change to offset, which has proven to be cheaper and today can be run economically for very small print orders. But even this is not the end. As improvements have been made in rotogravure, many publishers are moving out of offset and into gravure, again reducing costs.

• **In-house composition** — Computerized composition has led to the setting of type in the publishers' shops rather than through type houses. This enables the editors to have better control of the product as well as to speed up the entire process. The costs are substantially lower for those publishers who have made the change.

• **Improved color separations** — Automatic color separation machines using lasers and sophisticated programs are used by most magazines today.

• **Subscription fulfillment technology** — The most obvious benefit of the further sophistication of today's fulfillment systems is a lower piece charge in the postal rates if a publisher sorts his copies by ZIP code and carrier route. Those who take full advantage of these rates pay 4.4 cents per piece versus 7.0 cents.

PLAYBOY: Advertise upscale products in an upscale magazine–PLAYBOY. Month after month, you'll reach nearly 15 million men with a lust for the good things in life–and the means to buy them.

Each issue of PLAYBOY reaches about 1 of every 4 men who earn more than $20,000 a year. And PLAYBOY reaches them more efficiently than the newsweeklies and sportsweeklies.

But the full power of PLAYBOY goes beyond numbers. PLAYBOY is *the* lifestyle authority, helping men choose from the products available to them. PLAYBOY's influence moves readers to the point of sale. And PLAYBOY's readers move products out the door.

**The Playboy reader.
His lust is for life.**

Source: MRI, Spring 1982. © 1982 by Playboy.

BEST AVAILABLE COPY

This technology has also enabled publishers to offer regional demographic editions which are limited only by the publishers' and advertisers' imaginations.

• **Improvements in direct mail technology** — Computers today enable publishers to "merge-purge" mailing lists when they make mailings, thus reducing the number of pieces they must mail to get the same result. They can also take advantage of Prizm and other demographic categorization plans to pin-point the areas where their readers are most likely to live — and further reduce the size of mailings.

• **Improved closing times** — A number of the improvements may not result in reduced costs, but many magazines have been able to cut down on the time they need in order to print ads — and several have been able to provide a fast-close form where a few last-minute pages can be accommodated.

• **Improved binding equipment** — Binding operations in most printing plants have lagged behind in new developments until recently. The plucking of signatures and putting them together to form a magazine has always been the slowest process in the printshop. Recently, however, strides have been made to speed this up and to develop more flexibility through the use of computerized controls. These enable the printer to eliminate any magazine which does not have the proper number of signatures without shutting off the binding machine.

And it is now possible for a binding machine to pluck different signatures for different copies of a magazine — and then through the use of the computerized fulfillment list and the jet ink printer — to address each copy to a particular subscriber. While only a few magazines have taken advantage of the capability so far, it is literally possible to design a magazine to address each reader's interests.

• **Use of satellite transmission** — Through the use of sateilites it is now possible to deliver pages instantaneously to several printing plants at the same time. Although only a few magazines are taking advantage of this so far, it results in reduced delivery time by printing close to the readers. At the same time delivery costs (whether by postage or other means) can be reduced because part of these costs are based on distance travelled.

• **Alternate delivery** — Many experiments have been carried on to develop delivery systems as an alternate to the Postal Service. In some areas these have been quite successful. In addition to lowering costs, it is important to indicate to the Postal officials that prices cannot rise beyond a reasonable point.

What of future rates?

History indicates that publishers increase both their circulation and advertising rates based more on the need to retain their margins than to try to squeeze the most from advertisers who must use their magazines. If this thinking continues, which seems likely, we can expect pricing to follow the cost increases which are anticipated, tempered by continued efforts to reduce costs.

Jim Kobak

When Pope John Paul II was shot last year, a "right-wing" Turk pulled the trigger. But did the Kremlin point the gun?

Front-Page stories described Mehmet Ali Agca as a thug working for Turkey's neo-Nazi's. But in an exclusive article in the September Reader's Digest, Claire Sterling reports otherwise.

Drawing on sources available to few other experts on terrorism, Sterling presents evidence that Agca was used by the Soviets who hoped to see, in a single act, the "Polish Pope" dead and Turkey discredited within NATO.

Hardly the accepted version of the assassination attempt. But as 40 million readers know, the Digest accepts little on faith.

Reader's Digest

Newspaper cost for 60% household coverage

IN DAILIES

Markets	Cost of 1,000 lines	Cost of 1 page	No. of papers required	Total circulation	Cost per 1,000 in circ. for 1,000 lines
Top 10	$129,230	$ 270,375	35	12,771,000	$10.12
Top 20	180,270	389,243	56	17,792,000	10.13
Top 30	224,240	487,712	73	22,160,000	10.12
Top 40	252,149	559,722	89	25,085,000	10.05
Top 50	280,419	625,779	103	27,613,000	10.16
Top 60	300,945	672,673	116	29,445,000	10.22
Top 70	323,215	722,186	132	31,226,000	10.35
Top 80	340,815	761,707	147	32,640,000	10.44
Top 90	353,495	790,624	161	33,737,000	10.48
Top 100	368,225	825,153	179	34,827,000	10.57
Top 125	400,495	899,357	214	37,403,000	10.71
Top 150	428,363	961,211	246	39,390,000	10.87
Top 175	452,687	1,014,535	278	40,984,000	11.05
Top 200	471,466	1,057,669	310	42,147,000	11.19
Top 225	489,110	1,096,407	342	43,186,000	11.33
Top 250	503,760	1,131,285	370	44,114,000	11.42
Top 275	518,110	1,161,593	395	44,996,000	11.51
Top 300	531,200	1,191,283	422	45,779,000	11.60

IN SUNDAYS

Markets	Cost of 1,000 lines	Cost of 1 page	No. of papers required	Total circulation	Cost per 1,000 in circ. for 1,000 lines
Top 10	$140,690	$ 292,452	30	15,534,000	$ 9.06
Top 20	190,290	406,711	46	21,089,000	9.02
Top 30	233,660	504,108	63	25,692,000	9.09
Top 40	260,277	572,091	76	28,820,000	9.03
Top 50	287,927	639,092	90	31,294,000	9.20
Top 60	306,575	681,693	100	33,134,000	9.25
Top 70	326,155	724,923	113	34,828,000	9.36
Top 80	343,549	764,421	127	36,312,000	9.46
Top 90	355,499	791,721	138	37,435,000	9.50
Top 100	368,599	821,683	151	38,490,000	9.58
Top 125	399,089	891,367	180	41,110,000	9.71
Top 150	425,577	950,660	208	43,052,000	9.89
Top 175	447,881	999,458	233	44,613,000	10.04
Top 200	465,894	1,040,532	262	45,815,000	10.17
Top 225	478,378	1,068,356	283	46,610,000	10.26
Top 250	488,278	1,091,949	301	47,258,000	10.33
Top 275	499,708	1,116,143	320	47,959,000	10.42
Top 300	508,748	1,137,313	338	48,546,000	10.48

Source: Newspaper Advertising Bureau; SRDS Sept. 1981

MEDIA COSTS

Program cost trends — net & syndication

What advertisers and their agencies need to know about programing costs in order to evaluate their investments properly in first-run programing and in syndication buys. Show business can be very expensive, but it can also be very rewarding.

In the network program arena, the advertiser has — apart from daytime soap operas and a few specials — very little say on program costs.

Networks buy shows from outside suppliers, or produce them in-house, notably news and spots. In the case of outside shows, price is negotiated between network and program supplier. Since it's a competitive business, and most producers seldom aim for much profit on the network initial run or even rerun, networks simply pass cost increases along to advertisers.

With considerable evidence to back them up, networks will tell you that they do all they can to hold the line on costs.

What networks *don't* tell you is that they seldom, if ever, invite clients and agencies to get in on real structuring of network program schedules — or their pricing.

That's one reason why the cost of made-for-tv movies, for example, has gone from something like $500,000 per hour just five years ago to well over $1 million today. There may simply not be enough brakes on the system to avoid runaway pricing. (See chart, page 81, for an overview of today's program costs.)

In the syndication market, where every producer secretly hopes he'll make enough to retire to that dream ranch, an advertiser has a better shot at holding the cost line in programing, and at the same time building something on his own.

True, the syndication market lives off network product. In fact, about 80% of syndicated shows now circulating had some form of network run.

This does *not* mean that all network product simply moves into the syndicated market, and that the whole thing is an echo of network seasons-past.

Far from it.

Network shows that bomb-out in the ratings, after a few episodes, and wind up in the the graveyard of broken program dreams seldom have much chance in syndication. Occasionally, a cancelled series can be edited into feature length and slipped into a movie package. Or, it can be offered within the structure of a hosted anthology as comedy or dramatic fare.

Generally, a failed series becomes a write-off — and a reason for high

Demographics of tv include audience I.Q.

Demographic breakouts of audiences of syndicated shows aren't new to marketers. In fact, they're often a reason for specific spot buys into name-star barter specials, off-network successes, first-run shows and other syndicated properties to reach, say, 18-49 women or adult males or whoever.

But did you know there's an apparent link between syndicated shows and the educational smarts of young viewers?

The California Dept. of Education thinks there is, and made headlines with the results of a study of 15,000 sixth-graders in that state. Some key findings:

- Kids who regularly watch *M*A*S*H* — which almost invariably is in top spot in the NSI (Cassandra) measurements of syndicated shows for ratings shares, and demographics — get higher marks on

school achievement tests than do the kids who watch *Dukes of Hazzard*, also a ratings powerhouse, and due for 1984 syndications release (photo above).

- Kids who spend a lot of time watching *M*A*S*H* and local and national tv news as their primary tv diet score some 4% higher on tests than kids who don't watch them.

- Lower test scores were also linked to a number of other syndication staples, such as *Happy Days, Diff'rent Strokes* and cartoons. Still lower test scores (10-15% less than nonviewers) turned up among kids who watched *CHiPs* and *Charlie's Angels*, although the latter may possibly have its own educational values in areas of anatomy and gravity.

program costs, since those with an investment in it (chiefly the producer and/or studio, plus network money) charge off losses, where possible, against other projects.

The top off-network syndicated shows, then, are primarily hit shows, often with deep backlog and a strong track record. Shows like *Dallas, Real People, The Incredible Hulk, Little House on the Prairie* and *Diff'rent Strokes* were hits on their network outings.

What's more, now that they're in syndication, they afford advertisers who may have missed the boat on the network run a second shot at the audience brass ring.

That's also why the pipelines buzz between reps and stations concerning network product that's coming on the market.

New-for-fall

The long-run (it started in September, 1977) *Lou Grant* series, with a backlog of 114 hours, is due for start dates via Jim Victory Television in syndication this month (September 1982). Stations have bought it on the basis of six runs over a five-year span. Yes, it's the show that stars Ed Asner, and which drew a somewhat-stormy cancellation.

Mork & Mindy is another hot, off-network property due this month: Paramount Television rolled back a scheduled 1983 start for its 95 half-hour episodes. From MGM Television, *CHIPS* is due in syndication starts this month.

On a more long-range basis, several other important network properties are coming down the pipeline in the foreseeable future.

Quincy, an MCA TV series starring Jack Klugman that racked up a strong score with 18-49 women on its NBC-TV run and more recently has had a network late-night rerun on CBS-TV, will be available in the fall of 1983. There are more than 100 hours in the series.

Shogun, the Paramount mini-series that was a ratings/share blockbuster in 1980-81, was pushed heavily at the 1982 National Assn. of Television Program Executives (NATPE) convention, and was snapped up by (among others) the Metromedia independents. It's slated for 1984 starts,

What network and syndication programs cost today

Type of production for television	Hrs. to produce in studio/edit	Actual length (less commls.)	Av. cost to produce/ep.	Cost/min av. of airtime
Primetime hour film drama *(Hart to Hart, Cagney & Lacey, Matt Houston,* etc.)	60/(1 wk.)	43 mins.	$650,000	$15,116
Nighttime half-hour situation comedy *(Private Benjamin, Mama Malone, Family Ties,* etc.)	40/(4 days)	23 mins.	$350,000	$15,217
Daytime hour serial drama *(General Hospital, One Day at a Time, Ryan's Hope,* etc.)	10/(1 day)	43 mins.	$50,000	$1,162
Made-for-tv movie (network) *(Day The Bubble Burst, The Thorn Birds,* etc.)	3-7 wks.	110 to 440 mins.	$1.5 million per 60 mins.	$22,725
Made-for-tv movie (syndic.) *(Teenage Goddess, First Class, A Woman Named Golda,* etc.)	2-8 wks.	110 to 220 mins.	$750,000 to $2.0 million per 60 mins.	$6,800 to $33,333
First-run syndication *(Entertainment Tonight, You Asked For It, PM Magazine, Romance Theatre, Singles Only,* etc.)	20-30 hrs. per 30 mins.	Varies (23-43 av.)	$100,000 per 30 mins.	$3,333

This chart provides marketing decision-makers with rule-of-thumb cost averages for network and syndication program costs, and is based in part on material presented to a 1982 ANA [illegible]ial Management Workshop by consultant Mine[illegible]mond.

Costs seldom have much [illegible]hip with what an advertiser spends to have [illegible]mercials aired in a particular program vehicle. Ne[illegible]orks will charge more on a nigh-rated show with strong demographics, less on a show that may cost the same or even more, if it's "in trouble."

Long-run network successes, like *M*A*S*H,* have long since amortized set-construction costs, stock shots, titles, etc. But, payments to star performers *before* cameras even roll on an episode can top $100,000 or more. Everybody wants a piece of the action today, and it's a major factor in the escalation of costs of programing.

The most efficient program operations today are daytime soaps. They're the absolute opposite of movies like *Annie* (a semi-hit) and *Heaven's Gate* (a disaster) in which millions were poured into creative ego trips.

There's little fooling around in daytime soap operas. An hour show is usually the result of a 10-hour day. With luck, an advertiser will get a :30 commercial in a shooting/editing session of the same length.

Interesting sidelight: do you know who the largest single supplier of programing is at CBS? It's not a Hollywood studio or Lorimar. It's Compton Advertising, which produces no less than 12-and-a-half hours weekly of soap operas seen on CBS for cost-conscious advertisers like Procter & Gamble.

A relatively new, hot trend in tv programs is the made-for-tv movie, created as a *genre* to replace theatrical features drained off by pay-cable systems, high production costs, "R" ratings and other factors. In effect, they are Hollywood's old "B" pictures, this time with a gloss of social or historical themes (unwed motherhood, overcoming severe disabilities, the 1929 market crash, biographies, etc.)

Tv syndication began, in the 1950s, with what was mostly filmed first-run half-hour shows. Much has changed in syndication. Today, about 80% of syndication is off-network material; the balance is programing from other sources, including first-run syndicated production.

"A piece of the action"

As long as there have been impressarios and actors, actors have wanted a bigger chunk of the take — particularly if the performer feels that he or she is being exploited while being the underlying reason for a production's financial success.

Ramon Navarro (the original Ben Hur) was the first Hollywood actor to demand — and get — a percentage of the gross of his movies, even though Charlie Chaplin, Mary Pickford and Douglas Fairbanks, Sr. had earlier decided to produce their own pictures as United Artists (and thus set yet another financial model.)

More recently, the late William Holden demanded — and got — a 10%-of-exhibition-gross fee for *Bridge On the River Kwai.* And, Marlon Brando, it's said, demanded — and got, from Warner Brothers — no less than 100% of the profits from a 1950 movie he directed and starred in, *One-Eyed Jacks.* Both pictures still circulate in tv syndicated packages.

Such seeming bonanzas, however, are subject, in Hollywood, to some of the most creative bookkeeping in the world.

Holden's slice of *Kwai*, for instance, was $2.5 million. He was advised not to take it all at once or risk a ferocious tax bite. Columbia Pictures then set up an iron-clad, gilt-edged trust to pay Holden $50,000 a year for 50 years. Holden thought it was a great idea — until he learned that Columbia, under terms of the agreement, had the total sum out in the money market at conservative rates, and was earning $75,000 a year on it. Not only would Columbia make $25,000 (or more) a year for 50 years but after that would still have the $2.5 million. Meanwhile, the $50,000 annually was paid like clockwork.

Brando was a different case. His movie, the studio decided, would open nationally in the heaviest "saturation booking" of theaters seen in years, with literally hundreds of new color 35mm prints ordered from a Warner-owned lab.

A massive ad campaign, one that kept Warner staffers busy for weeks, was scheduled. Sets used in the production, on the Warner "back lot" western area, were charged to the budget, even though some had been built decades earlier for Errol Flynn oaters like *Silver City.* And so on and on. When the day of profit-reckoning came, studio executives put on their longest faces. Alas, it seemed, there were no profits at all on the film.

But each production cycle brings fresh tales, and tv programs are no exception. James Garner has grumped publicly, on a national tv show, that much the same kind of thing happended to him with *Rockford Files.* James Arness has been less-than-thrilled with his piece of the action of *Gunsmoke.* Farrah Fawcett's demands dealt her right out of the game on *Charlie's Angels.*

And still it goes on. The ever-escalating pay demands of Alan Alda, Harry Morgan and others in fresh episodes of *M*A*S*H* are one reason for that show's high cost to its purchasing network.

Only this summer it looked as though *The Dukes of Hazzard* might not get rolling for its 1982-83 season. However, Warner Bros. Tv signed Sonny Schroyer to return, after his departure for a failed spinoff, *Enos.* And, holdouts Tom Wopat and John Schneider were brought back to the *Hazzard* fold with a new offer.

The tug-o-war between showmen and talent will probably never end — nor will its effects on costs, which are usually passed along one way or another. "It's safer these days to own a bank," says a Hollywood veteran, "and even that's not sure any more."

and will be around for awhile. *Shogun* is being sold to stations (at a good price, incidentally, so be prepared for premium spot rates) as 12 hours to be aired as a half-dozen two-hour programs, plus a two-and-a-half-hour feature-style version. Also, stations are being asked to buy the package (the feature version counts as one run) for four runs over five years.

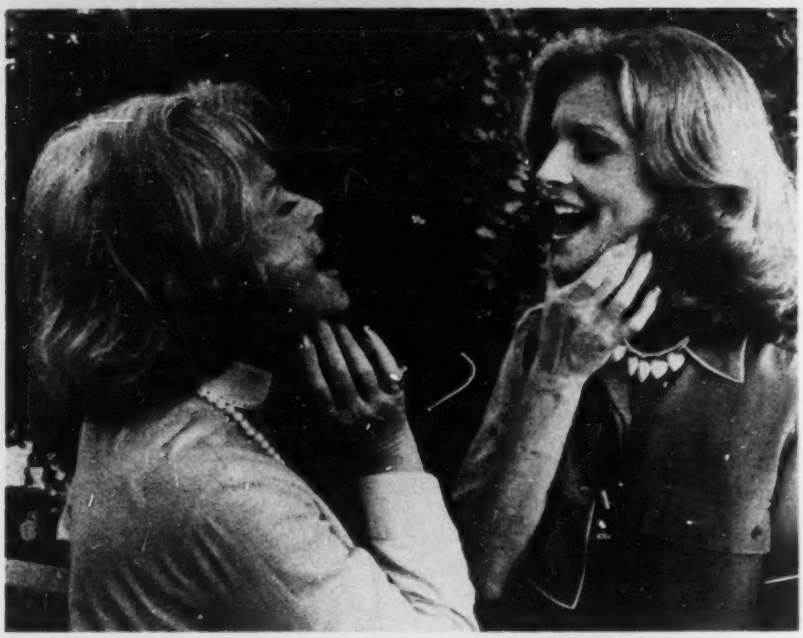
Trapper John, M.D. from 20th Century-Fox Television, a spinoff of sorts from the successful *M A S H* series, is another strong network vehicle headed for syndication, but not before the fall of 1984. There will be at least 88 episodes, and possibly more. It's being pushed to stations on the basis of —are you ready for this? — a seven-year commitment.

Barter syndication

Barter-type deals in syndication are growing in popularity with advertisers, since they offer a number of advantages and a chance to control costs more closely (and even to get into ownership). Generally, they work like this:

- **A producer** obtains private financing and makes a pilot.
- **He takes the pilot to a syndicator** active in barter deals.
- **The syndicator,** who may or may not be an investor in the pilot and/or series (most prefer not to be), then goes calling on agencies, particularly regular customers, and offers the show on a first-run basis, with guarantees of minimum clearance.
- **Meanwhile, the syndicator** is pushing the show to stations asking for firm clearances in good time in the best markets, on either independents or affiliates.
- **Basically, the deal offered is,** "You get the show, essentially without cost, buy you must air it as agreed. You will also get so-and-so number of minutes to sell to non-competing national and local spot clients. We will reserve so-and-so number of minutes that we will sell.
- **If agencies and clients buy** the "national" minutes (usually, two per half hour) and the stations accept the show, feeling they can easily sell the "local" minutes (usually, four per half hour), the deal is on.

A lot of syndicated shows get on the air this way. Some companies, like



How to exercise your face — Romana de Vries (left) demonstrates her system of facial exercises called Cosmetrics, which she believes can rid women of wrinkles without plastic surgery. Here she offers Sunny Griffin, hostess of *Twice a Woman,* some pointers. Show is produced and presented for tv by Zotos International, Inc., one of the world's leading manufacturers of professional hair care products.

Syndication sale of a lifetime

There are some marvelous syndication sales stories. One of the best, possibly apocryphal but just as likely true, goes like this:

A few years ago, the tv syndication sales arm of a major motion picure studio was approached in New York City concerning a sale of feature films to a foreign, government-owned tv service.

The potential purchaser, it turned out, was one of the oil-rich sheikdoms in the Persian Gulf, which wanted to buy the tv rights to every feature on the company's shelf. The whole works.

The salesman who happened to be in the office at the time was at a loss to come up with a price. A lot of film was involved. On the other hand, syndication prices are usually a function of market size and tv penetration. In this case, the number of tv sets and viewers was limited primarily to members of the sheik's family, a hotel or two, and a bunch of temporary-resident petroleum technicians. And, camels.

By comparison, the likes of Billings, Montana was a megalopolis.

The salesman decided to ditch the whole thing, and quoted a figure out of the thinnest of air that would have given any U.S. broadcaster cardiac arrest. The total was well into millions.

A day or so passed, and nothing happened. The salesman forgot the whole thing.

Then, it happened. A bonded messenger from Switzerland, briefcase chained to his wrist, arrived at the company's office. In the briefcase was a certified check for the full amount — in millions.

The films were promptly shipped.

The salesman, it is said, retired to a life of ease on the commission.

Syndicast, make a specialty of this kind of barter.

Some advertisers and syndicators take it a step further.

SAMPLE: Bristol-Myers syndicates *In Search Of. . .* as a half-hour weekly informational series, with Leonard Nimoy as host exploring age-old mysteries (lost cities, curious phenomena, etc.). Now, it's being marketed by B-M for the fall-winter season as a rerun strip with the two minutes/four minutes split outlined earlier.

It does well as an access-period show. And, Bristol-Myers is in on the action from start to finish.

Other variants on this theme are often in the area of instructional or self-help programing, which enables the underwriting advertiser to get into the act with a generalized message integral to the program.

The Automotive Parts and Accessories Association has such a show at SFM Media. It's *Car Care Central,* designed (in 13 half-hour episodes) to tell viewers how to repair and maintain their own cars.

Zotos International, Inc., a leading manufacturer of professional hair-care products used in salons, is the underwriter of *Twice A Woman,* a package of 13 episodes (with 13 repeats) of a half-hour show hosted by master of ceremonies Sunny Griffin.

The focus, naturally, is on grooming, exercise, beauty and fashion tips.

CMC Broadcast Service handles syndicated distribution of *Outdoor Life,* a 20-episode, half-hour fishing/hunting camping series narrated by William Conrad. The barter split is a bit different than usual: 3:00 to the syndicator; 3:30 to the local station. Slotting is recommended as weekend afternoon time periods. The program is produced by *Outdoor Life*, a magazine published by Times Mirror, an organization that certainly knows (tv station group; tv cable services; cable software, etc.) the value of tv exposure.

The costs of such advertiser-involved programs are quite nominal ($50,000 per half-hour, or less). And, considering that they can actually make money for the investor, are not a bad deal at all.

Charles Sinclair

Spot tv cost guide — top 100 markets

(as reported by TvB in 1982-83 Spot Tv Planning Guide)

Daytime (M-F) 7:30 a.m.–4:30 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Stations total audience TV homes (000)	Stations total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	2,631	3.6	1,020	1,113	2.58	2.36
20	4,293	3.8	1,500	1,663	2.86	2.58
30	5,604	3.9	1,868	2,079	3.00	2.70
40	6,664	4.1	2,242	2,521	2.97	2.64
50	7,537	4.2	2,537	2,861	2.97	2.63
60	8,188	4.4	2,833	3,204	2.89	2.56
70	8,868	4.4	3,057	3,469	2.90	2.56
80	9,442	4.5	3,288	3,739	2.87	2.53
90	9,999	4.6	3,474	3,962	2.88	2.52
100	10,536	4.7	3,657	4,172	2.88	2.53

Late Evening: 11 p.m.-1 a.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience TV homes (000)	Total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	5,919	5.0	1,389	1,842	4.26	3.21
20	8,888	4.8	1,889	2,527	4.71	3.52
30	10,689	4.7	2,242	3,002	4.77	3.56
40	12,105	4.7	2,560	3,439	4.73	3.52
50	13,330	4.7	2,810	3,784	4.74	3.52
60	14,152	4.7	3,044	4,105	4.65	3.45
70	15,002	4.7	3,239	4,374	4.63	3.43
80	15,693	4.7	3,410	4,607	4.60	3.41
90	16,397	4.8	3,557	4,810	4.61	3.41
100	17,012	4.8	3,700	5,003	4.60	3.40

Early Evening: 4-8 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Stations total audience TV homes (000)	Stations total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	6,682	7.6	2,201	2,783	3.04	2.40
20	10,843	7.9	3,232	4,095	3.35	2.65
30	13,767	8.0	3,962	5,005	3.47	2.75
40	15,982	8.2	4,590	5,792	3.48	2.76
50	17,788	8.3	5,101	6,436	3.48	2.76
60	19,294	8.4	5,622	7,095	3.43	2.72
70	20,727	8.5	6,019	7,603	3.44	2.73
80	21,956	8.6	6,418	8,119	3.42	2.70
90	23,079	8.7	6,745	8,538	3.42	2.70
100	24,173	8.8	7,078	8,964	3.42	2.70

Early News: 5-7 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience TV homes (000)	Total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	8,414	8.8	2,402	3,476	3.50	2.42
20	14,524	9.8	3,794	5,520	3.83	2.63
30	18,471	10.1	4,714	6,849	3.92	2.70
40	22,152	10.6	5,637	8,211	3.93	2.70
50	25,109	10.9	6,374	9,296	3.94	2.70
60	27,244	11.1	7,055	10,297	3.86	2.65
70	29,556	11.4	7,627	11,143	3.88	2.65
80	31,710	11.6	8,189	11,978	3.87	2.65
90	33,522	11.7	8,608	12,596	3.89	2.66
100	36,819	11.8	9,021	13,201	3.90	2.67

Nighttime: 7:30-11 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience TV homes (000)	Total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	26,193	11.8	3,249	4,709	8.06	5.56
20	41,568	12.3	4,786	6,990	8.69	5.95
30	52,729	12.8	6,017	8,783	8.76	6.00
40	59,860	13.1	7,017	10,263	8.53	5.83
50	66,003	13.3	7,855	11,506	8.40	5.74
60	70,913	13.6	8,680	12,712	8.17	5.58
70	75,718	13.7	9,337	13,691	8.11	5.53
80	79,810	13.9	9,952	14,600	8.02	5.47
90	83,717	14.1	10,492	15,412	7.98	5.43
100	87,729	14.2	11,005	16,172	7.97	5.42

Late News: 10-11:30 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience TV homes (000)	Total audience Adults (000)	Cost per 1,000 Tv homes	Cost per 1,000 Adults
Top 10	15,709	9.1	2,488	3,650	6.31	4.30
20	23,622	9.3	3,582	5,295	6.59	4.46
30	27,847	9.2	4,307	6,347	6.47	4.39
40	31,343	9.4	4,981	7,341	6.29	4.27
50	34,323	9.5	5,531	8,159	6.21	4.21
60	36,673	9.6	6,061	8,943	6.05	4.10
70	38,759	9.7	6,472	9,555	5.99	4.06
80	40,525	9.8	6,850	10,115	5.92	4.01
90	42,473	9.8	7,194	10,629	5.90	4.00
100	44,112	9.9	7,512	11,093	5.87	3.98

He's still a producer, and he still makes the same argument.

"Radio creativity often comes last in line at agencies," he told us recently.

"Soundtracks of tv spots are used in radio, even when the copy is making some kind of visual point. Musical jingles are a specialty, even though agency producers and copywriters feel they can do it themselves for less.

"A lot of what we do in radio commercial production is simply bailing-out an agency on a project, or doing the agency's creative work for them, on an out-the-back-door basis.

"Too often, we have to deal with client or agency radio ideas that are really stereotypes, or downright old-fashioned. We are asked, for instance, to find a 'name' announcer with a big Voice-of-God sound, on the presumption that this will send consumers rushing out to buy the product. I'd rather use seasoned Broadway actors like Paul Sparer or radio dramatic actors like Joe Julian or Mason Adams; they're more flexible and expressive, and may even wind up costing less.

"I can do — and I know several other producers who can do — a whole, from-the-ground-up jingle package for a client that would include a basic :60 spot with :30 and :20 adaptations for $10,000. About $5,000 would go for creative fee and musical arrangements. The other $5,000 would go for musicians, studio time, singers ans spokesperson talent. I would use, believe me, the top people in the field. The impact on audiences, and eventually on product sales, could be tremendous.

"But — just try to sell that to any but a few agencies. It takes a lot of creativity out of their hands; agencies don't like that. The cost would be about 10% of the cost of a comparable tv spot, and the radio medium takes time and skill to buy; agencies aren't wild about that, either. There are no location trips, not much glamor, and a lot of hours spent in fine-tune editing and mixing.

"If I could offer cost advice directly to clients, it would be this: Your dollar goes a lot further in radio, and what you spend on creative and production in the medium is almost invariably worth it." *Charles Sinclair*

Examples of radio rates — for target audience adults 25-54; spots distributed equally in 3 dayparts 6 a.m.-7p.m.; goal 300 gross rating points (grp's) in 4 weeks; 60 reach, 5 frequency.

(Prepared by Blair Radio, allowing 15% discount for negotiations)

Market	No. of stations	No. of announcements	Net reach	Reach rating	Avg freq	Grps	CPM T S A impr	T S A gross impressions	:60 (adj) cost	C/P avg R P
New York	7	271	3,869,000	60.0	5.19	311.3	$3.48	22,185,200	$77,104	$247.68
Los Angeles	9	321	2,355,400	58.6	5.19	304.4	4.90	14,368,700	70,353	231.12
Chicago	8	267	1,909,200	61.6	5.26	324.3	4.11	13,164,800	54,114	166.86
San Francisco	8	314	1,349,200	59.9	5.25	314.3	5.92	8,416,200	49,803	158.46
Philadelphia	5	168	1,135,000	62.3	5.16	321.4	4.81	6,692,100	32,196	100.17
Detroit	6	218	1,073,000	61.9	5.27	326.2	4.42	6,730,900	29,784	91.31
Boston	5	160	762,000	57.8	4.98	288.1	5.15	4,921,100	25,363	88.04
Washington, D.C.	6	205	816,400	59.2	5.09	301.6	7.56	4,578,500	34,596	114.71
Houston-Galveston	6	181	807,000	58.2	5.08	295.5	7.28	4,331,900	31,548	106.76
Dallas-Ft. Worth	5	146	767,900	59.1	5.12	302.9	4.83	5,024,100	24,269	80.12
Markets 1-10			14,844,100	60.0	5.18	310.8	4.75	90,413,500	429,130	
Miami-Ft. Lauderdale	8	232	642,600	60.0	5.26	315.4	5.15	3,654,000	18,831	59.71
St. Louis	4	126	558,000	59.9	5.00	299.3	4.56	3,521,500	16,049	53.62
Pittsburgh	4	132	536,500	62.5	5.04	314.9	4.68	3,270,400	15,299	48.58
Baltimore	6	183	515,200	57.8	5.06	292.4	5.43	2,715,500	14,752	50.45
Seattle-Everett	6	215	537,000	59.2	5.08	300.8	5.74	3,117,700	17,883	59.45
Minneapolis-St. Paul	3	69	500,800	57.6	4.74	273.1	3.91	3,121,900	12,201	44.68
Atlanta	5	146	558,500	61.6	5.18	319.0	5.13	3,427,500	17,584	55.12
Cleveland	6	195	441,000	59.2	5.14	304.1	4.79	3,897,100	18,665	61.38
San Diego	7	204	453,400	60.8	5.23	318.1	5.53	2,372,700	13,115	41.23
Tampa-St. Petersburg	5	139	314,500	59.6	5.05	300.8	5.81	2,093,400	12,169	40.46
Markets 1-20:			19,901,600	59.9	5.16	309.0	4.82	121,605,200	585,678	
Denver-Boulder	7	234	465,200	61.7	5.23	322.7	7.42	3,245,200	24,084	74.63
Milwaukee-Racine	5	171	387,600	62.1	5.12	317.8	5.94	2,244,200	13,324	41.93
Phoenix	5	159	373,700	60.1	5.20	312.6	6.60	2,119,200	13,990	44.75
Providence-Worcester	3	100	307,700	57.6	4.89	281.5	5.21	1,572,300	8,189	29.09
Cincinnati	4	119	308,800	57.3	4.97	284.5	5.02	2,036,500	10,226	35.94
Kansas City	5	134	338,700	61.6	5.08	312.9	3.63	2,612,600	9,496	30.35
Portland, OR.	5	170	315,100	59.6	5.18	308.6	7.23	2,191,300	15,841	51.33
Buffalo	3	98	263,200	56.1	4.78	268.2	5.23	1,510,500	7,893	29.43
Riverside	16	566	240,400	48.5	4.94	239.4	11.34	1,261,200	14,298	59.72
New Orleans	5	143	297,300	62.5	5.28	329.7	4.22	2,126,900	8,982	27.24

Examples of radio rates (continued)

Market	No. of stations	No. of announcements	Net reach	Reach rating	Avg freq	Grps	CPM T S A impr	T S A gross impressions	:60 (adj) cost	C/P avg R P
Markets 1-30:			23,199,300	59.8	5.15	307.7	5.00	142,525,100	712,001	
Norfolk-Portsmouth	6	182	292,000	60.9	5.20	316.6	4.71	1,733,500	8,157	25.76
Indianapolis	4	105	284,500	60.9	5.01	305.4	4.53	1,753,200	7,946	26.02
Columbus, OH	3	109	241,100	55.7	4.85	270.3	6.26	1,577,900	9,874	36.53
San Antonio	6	181	257,400	62.2	5.24	326.2	6.60	2,213,500	14,620	44.82
Sacramento	7	247	294,300	62.3	5.30	330.1	6.67	2,049,300	13,670	41.41
Rochester, N.Y.	3	88	222,900	59.4	5.00	297.3	6.94	1,202,300	8,345	28.07
Hartford-New Haven	3	116	240,700	64.3	4.99	321.0	7.87	1,714,400	13,484	42.01
Louisville	4	132	234,100	63.9	5.20	332.0	5.12	1,661,800	8,514	25.64
Memphis	4	126	200,400	56.7	5.00	283.7	5.75	1,481,800	8,521	30.04
Salt Lake City	4	134	204,000	56.3	4.91	276.6	4.84	1,425,800	6,894	24.92
Markets 1-40:			25,670,700	59.8	5.14	307.6	5.10	159,338,600	812,026	
Greensboro	5	123	213,100	60.6	5.16	312.9	3.28	1,602,500	5,260	16.81
Birmingham	3	92	195,200	59.2	4.90	290.1	4.72	1,323,900	6,245	21.53
Nashville	5	166	215,700	61.6	5.22	321.8	5.68	1,815,200	10,317	32.06
Dayton	4	114	192,000	57.0	4.90	279.3	5.87	1,275,000	7,490	26.82
Oklahoma City	5	169	207,500	61.4	5.08	312.3	5.74	1,604,300	9,202	29.47
Albany-Schenectady	2	69	173,600	58.8	4.84	284.6	6.38	1,315,100	8,389	29.48
Toledo	5	146	183,400	62.5	5.20	325.2	5.87	1,158,300	6,797	20.90
Honolulu	4	118	196,600	59.9	5.09	305.1	4.71	1,001,500	4,715	15.45
Jacksonville	3	92	168,400	56.1	4.84	271.3	6.42	978,300	6,282	23.16
Orlando	3	88	171,600	59.4	5.02	298.2	5.57	1,109,100	6,174	20.70
Markets 1-50:			27,587,800	59.8	5.13	307.1	5.12	172,521,800	882,897	
Tulsa	4	99	180,100	61.6	5.03	310.2	2.86	1,185,700	3,387	10.92
Akron	8	363	135,500	53.4	4.89	261.4	12.47	845,400	10,543	40.33
Allentown-Bethlehem	4	101	155,200	62.7	5.10	319.8	4.25	903,600	3,837	12.00
Northeast PA	4	123	147,700	63.3	5.18	327.5	4.06	854,900	3,469	10.59
Richmond	3	86	170,400	63.5	5.01	317.8	4.47	1,083,200	4,839	15.23
Syracuse	3	92	149,500	62.3	5.06	315.2	7.10	949,500	6,746	21.40
Charlotte	3	96	163,400	59.6	4.94	294.8	6.72	1,818,900	12,226	41.47
Springfield	3	92	123,200	56.6	4.75	269.1	8.02	647,800	5,197	19.31
Grand Rapids	3	101	132,800	58.1	4.92	286.0	6.50	922,400	5,997	20.97
West Palm Beach	7	212	130,100	61.0	5.18	316.1	9.54	738,700	7,045	22.29
Markets 1-60:			29,075,700	59.8	5.13	306.8	5.19	182,471,900	946,183	
Greenville	3	73	144,000	60.7	5.12	310.9	3.71	1,190,300	4,421	14.22
Omaha	3	97	138,400	60.4	4.82	291.1	4.36	1,382,900	6,035	20.73
Raleigh-Durham	3	84	131,300	59.7	4.92	293.5	4.53	1,481,500	6,712	22.87
Tucson	5	143	126,800	60.9	5.16	314.3	5.67	709,200	4,018	12.78
Austin	4	105	119,300	58.3	5.04	293.7	5.86	688,700	4,036	13.74
Youngstown	3	100	118,700	57.6	4.93	284.0	4.59	819,500	3,763	13.25
Wilmington	6	184	126,500	60.2	5.10	306.9	6.67	691,700	4,614	15.03
Flint	6	173	126,300	60.3	5.13	309.3	7.44	758,100	5,639	18.23
Fresno	6	198	123,500	61.8	5.21	321.8	4.43	1,336,100	5,915	18.38
Knoxville	3	76	109,800	56.3	4.73	266.2	3.39	988,100	3,348	12.58
Markets 1-70:			30,340,300	59.8	5.12	306.5	5.17	192,518,000	994,684	
Baton Rouge	4	119	121,600	61.4	5.01	307.3	2.95	1,015,200	2,994	9.74
Lansing	5	134	109,600	61.9	5.14	318.1	5.13	656,600	3,371	10.60
Las Vegas	6	178	135,000	62.6	5.22	327.1	5.10	708,800	3,614	11.05
Harrisburg	4	102	104,800	60.7	5.07	307.6	7.12	687,200	4,891	15.90
New Haven	6	199	101,100	60.3	5.04	304.2	11.42	712,400	8,138	26.75
Albuquerque	5	135	120,500	63.2	5.20	328.8	5.63	934,900	5,261	16.00
El Paso	7	279	114,600	61.3	5.31	325.6	7.77	776,900	6,036	18.54
Johnson City	5	128	110,400	60.7	5.06	307.3	3.16	730,400	2,309	7.44
McAllen-Brownsville	4	88	96,400	57.6	4.94	284.6	3.69	497,100	1,834	6.44
Mobile	3	82	102,100	60.4	4.89	295.4	5.16	658,200	3,397	11.50
Markets 1-80:			31,456,400	59.9	5.12	306.7	5.19	199,895,700	1,036,529	

Clients that are in cable are staying in cable. They are not cutting back. The ones that are not in cable are very reluctant to go in. They may go in cable next year if the economy turns upward."

Ad-supported cable is also feeling the impact of rising costs in other media, especially the record breaking broadcast network television upfront season. Media experts have said that — with the dramatic increase in net-

J. Walter Thompson/New York cable cost per thousand tuning households estimates, June 1982

Programing vehicle	Type of programing	Subscribers (000)	Cost per 30 seconds	Avg. ¾-hour rating est.	Avg. HH audience	Avg. cost per 1,000 viewing HH
ARTS	Cultural	8,000	$1,000	0.9	65,700	$15.22
BET	Black sports, variety	3,000	$315	0.4[1]	12,400	$25.40[1]
CHN	Health, lifestyle	4,600	$400 to $2,000	0.4	18,400	$21.74 to $108.70
CNN	News	14,500	$250 to $2,100[2]	1.1	159,500	$2.60 to $8.50[2]
CNN2	News headlines	1,800	$50	0.5	9,000	$5.50
CBS	Cultural	5,000	$500[3]	0.5	21,000	$23.81[3]
CBN	Family entertainment	17,000	$160 to $1,150[4]	1.0 to 4.0[4]	(see note)	$1.75 to $2.25[4]
Daytime	Women's information	5,500	$300 to $400	0.5	27,500	$12.73
ESPN	Sports	16,800	$200 to $3,000	1.0 to 1.8	158,000 to 285,000	$5.27 to $5.70
MSN	Women's how-to	4,100	$150 to $200[5]	0.2	8,200	$24.39
MTV	Video music	5,800	$350 to $750	2.0[6]	135,000	$5.56[6]
SNC	News headlines	2,600	$222[7]	0.5	13,000	$17.00
SPN	International, movies, variety and how-to	4,600	$100 to $400	0.3	13,800	$29.00
SIN	Spanish programing	2,900	$500 to $5,500	3.0 to 37.0[8]	500,000	$2.28 to $6.49
WTBS	Independent tv	23,200	$720 to $3,780	1.4 to 4.2	300,000 to 910,000	$1.80 to $4.80
TeleFrance	French programing	10,700	$360	0.2	20,000	$18.00
USA	Sports, women's, children's, movies	12,000	$550 to $1,400	0.7 to 1.2	75,000 to 132,000	$9.30 to $10.60
Weather	All weather reports	4,200	$150 to $300	0.2	10,000	$15.00 to $30.00

Source: J. Walter Thompson USA (New York Office), "Cable Capsules," June 1982, second edition.

All costs quoted represent the starting point. They are not rates of any specific buy but the rates the system is willing to quote in general overview. They are therefore highly negotiable. The reduction from these costs can be quite significant. The purpose of estimating audiences is to provide a perspective and relative comparisons. The data is intended as an overview and does not apply to all programs on the system.

[1] Estimates a 10% share of black households using television. Cost per thousand viewing households refers to black households only.
[2] The cpm varies by daypart and program, with the lowest cpm for 6 a.m. to 3 p.m., and the highest for financial news segments. CNN is sold on a cpm basis based on Nielsen Television Index daypart average household ratings.
[3] Cost and cpm refers to a single 30-second spot in scatter. Contracts call for a minimum of four plays. Thus, the minimum rate for a 30-second spot is $2,000 in scatter. Sponsorships are also available, requiring purchase of five minutes per program with four plays. Sponsorship costs on a four-play basis are $50,000.
[4] CBN offers guarantees on ratings and cpm's based on NTI data. The ratings and cpm's quoted here reflect those guarantees. JWT/NY, however, estimates a 0.5 average rating for CBN.
[5] MSN also offers half-hour blocks to advertisers for $1,500 plus the supplying of the program for that time period. MSN also has the Home Shopping Show, which costs $11,000 for an 8-minute segment, aired 5 times plus the cost of producing the segment.
[6] The rating for MTV refers only to persons 12-34. The cpm is based against this same demographic and is calculated against the $750 per 30-seconds rate.
[7] 30-second spots must be purchased in blocks of 18, with the cost of the package being $4,000. The cost per 30-seconds quoted here refers to a single spot in that package. SNC is also sold on a regional and local basis at different rates.
[8] SIN ratings refer only to Spanish speaking households, and not ratings within the total television and cable tv universes.

Key to services: ARTS (Alpha Repertory Television Service); BET (Black Entertainment Television); CHN (Cable Health Network); CNN (Cable News Network); CNN2 (Cable News Network 2); CBS (CBS Cable); CBN (Christian Broadcasting Network); Daytime (Hearst/ABC Video Services daytime programing); ESPN (Entertainment & Sports Programming Network); MSN (Modern Satellite Network); MTV (MTV: Music Television); SNC (Satellite News Channel); SPN (Satellite Programming Network); SIN (Spanish International Network); WTBS (the Atlanta SuperStation); TeleFrance (TeleFrance USA); Weather (The Weather Channel).

MEDIA COSTS

Big advertiser budget splits

How types of advertisers of the Top 200 Advertised Brands chose to allocate their media dollars in national media. This report covers 24 categories of advertisers, plus miscellaneous advertisers among the Top 200 Brand promoters. Data is shown in dollars for each category and in percentage of totals in each category allocated to the major media.

This report is an extension of the Top 200 Advertised Brands report that we publish in July each year.

The data in the most recent of these reports has been reorganized for the first time by major categories to show budgeting practice in eight major national advertising media in 1981.

Sources of this expenditure data are Leading National Advertisers (LNA), Broadcast Advertisers Report (BAR) for magazines, net and spot tv, net radio and outdoor; Media Records for national newspaper advertising; Radio Expenditure Reports (RER) and Radio Advertising Bureau (RAB) for spot radio. *Decisions* combined the figures.

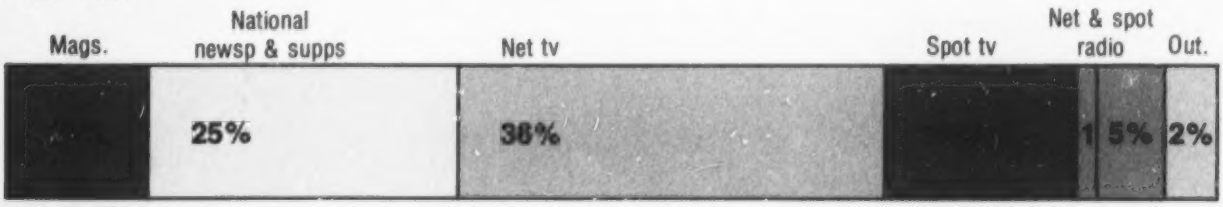
We show the data in dollars and percentages in each medium for the Top 200 in 24 categories, plus 31 miscellaneous Top 200 advertisers.

A final page shows the extent to which the Top 200 dominate total national advertising expenditures in each medium. And the charts immediately below show how budgeting practice of the Top 200 as a group differ from that of smaller national advertisers. ("Smaller," in this case, designates expenditures of less than $14.3 million on a brand.)

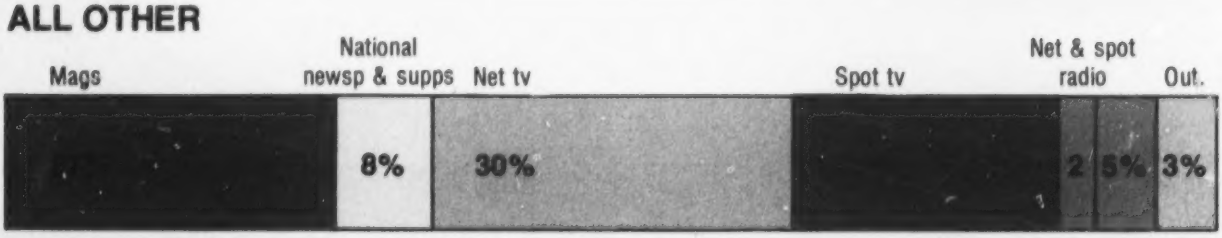
The report offers a view of how the largest competitors in each of the most heavily advertised fields spend their media dollars. Advertisers who welcome head-to-head competition may wish to seek those media in which the competition puts its weight. However, an individual advertiser's strategy may be to avoid the competition — in which case the data offer a guide to where the competition is least visible. On this basis, there appears to be a wide-open opportunity for all national advertisers to stand out in net and spot radio and outdoor — and for some to make a competition-free splurge in newspapers.

How budgeting practice differs for Top 200 Brands and all other national media users

TOP 200



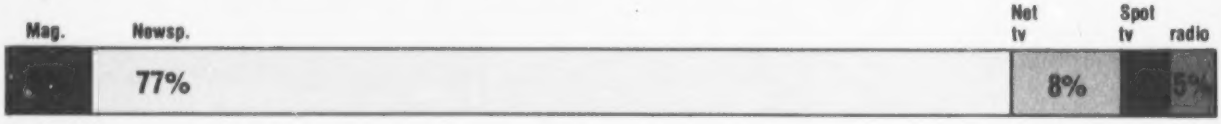
ALL OTHER



Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

5 leading retail chains

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$74,753	$622	$1,077,000	$110,683	$67,016	$12,542	$46,000	$209	$1,388,825
Percent	5%	*	77%	8%	5%	1%	4%	*	100%



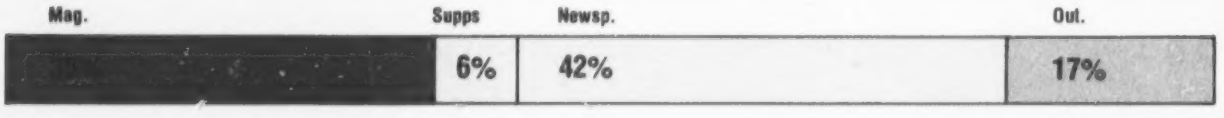
* less than 1%

20 automotives

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$206,425	$2,730	$173,740	$413,541	$307,400	$9,794	$101,645	$16,374	$1,231,649
Percent	17%	*	14%	35%	25%	*	8%	1%	100%

16 cigarettes

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$228,337	$40,948	$270,589	—	—	—	—	$113,115	$652,989
Percent	35%	6%	42%	—	—	—	—	17%	100%



9 beers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,939	$7	$3,473	$177,303	$69,114	$3,915	$67,615	$3,902	$333,268
Percent	2%	*	1%	54%	21%	1%	20%	1%	100%

Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

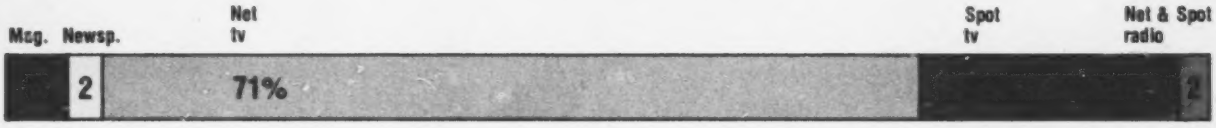
10 medicines

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$16,656	$1,459	$912	$207,643	$20,980	$5,022	$1,851	$228	$254,751
Percent	7%	1%	*	81%	8%	2%	1%	*	100%

* less than 1%

3 cereals

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,157	$9	$2,915	$107,397	$31,424	$1,455	$1,779	$130	$151,266
Percent	4%	*	2%	71%	21%	1%	1%	*	100%



5 coffees

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,575	$1,108	$4,107	$77,776	$25,420	$4,928	$3,871	—	$124,785
Percent	6%	1%	3%	63%	20%	4%	3%	—	100%

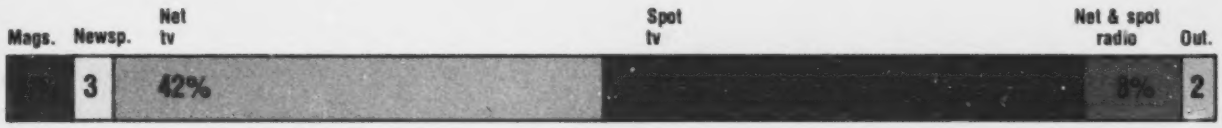
3 dog foods

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$9,585	$193	$1,382	$70,845	$12,943	—	$126	—	$95,074
Percent	10%	*	1%	75%	14%	—	*	—	100%

Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

8 soft drinks

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$8,377	$892	$6,751	$96,242	$94,419	$530	$19,195	$4,723	$231,129
Percent	4%	*	3%	42%	41%	1%	7%	2%	100%



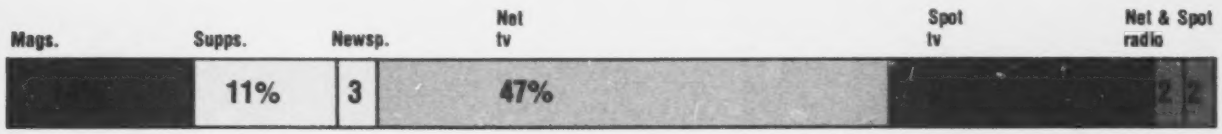
* less than 1%

2 candy & gum

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$2,246	—	$1,467	$46,081	$11,683	—	$2,404	—	$63,881
Percent	4%	—	2%	72%	18%	—	4%	—	100%

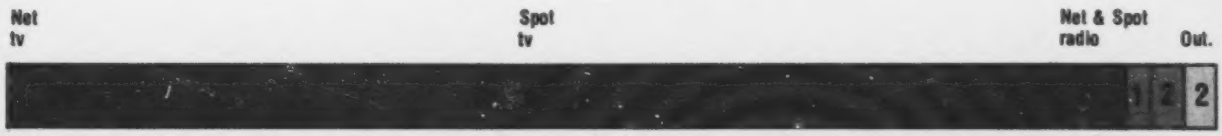
17 miscellaneous foods

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$69,698	$55,224	$15,471	$231,248	$105,304	$5,165	$9,833	$491	$492,434
Percent	14%	114%	3%	47%	21%	2%	2%	*	100%



7 fast food marketers

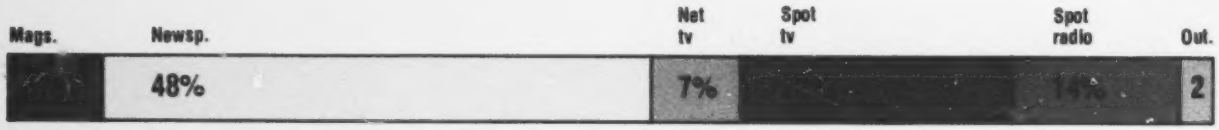
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$347	$53	NA	$121,198	$183,477	$4,563	$5,593	$5,133	$321,464
Percent	*	*	NA	38%	57%	1%	2%	2%	100%



Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

5 airlines

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$14,854	$872	$101,518	$14,742	$46,355	$648	$29,854	$4,859	$213,702
Percent	7%	*	48%	7%	22%	*	14%	2%	100%



* less than 1%

6 gas & oil advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$26,112	$3,190	$14,821	$51,345	$40,365	$5,742	$11,474	$412	$153,461
Percent	17%	2%	10%	34%	26%	4%	7%	*	100%

3 toy & game advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$4,867	$102	$3,237	$48,038	$31,349	—	$30	$20	$87,643
Percent	5%	*	4%	55%	36%	—	*	*	100%

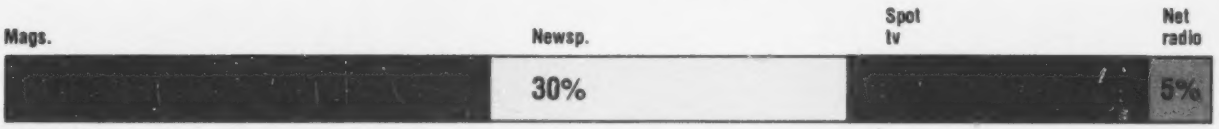
7 entertainment budgets

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,116	$263	$1,670	$107,372	$58,450	$221	$11,688	$624	$186,404
Percent	3%	*	2%	58%	31%	*	6%	*	100%

Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

4 media budgets

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$45,643	—	$33,302	—	$26,327	$5,184	$635	$516	$111,607
Percent	41%	—	30%	—	24%	5%	*	*	100%



* less than 1%

5 soaps & cleansers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,053	$170	$620	$91,889	$13,006	$95	$166	$100	$112,098
Percent	5%	*	1%	82%	12%	*	*	*	100%

18 personal care products

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$82,380	$3,787	$7,682	$300,170	$48,403	$6,387	$9,149	$126	$458,084
Percent	18%	1%	2%	66%	10%	1%	2%	*	100%

4 cameras

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$34,598	$491	$6,877	$93,815	$15,790	$1,939	$1,804	$757	$156,071
Percent	23%	*	4%	61%	10%	1%	1%	*	100%

2 insurance companies

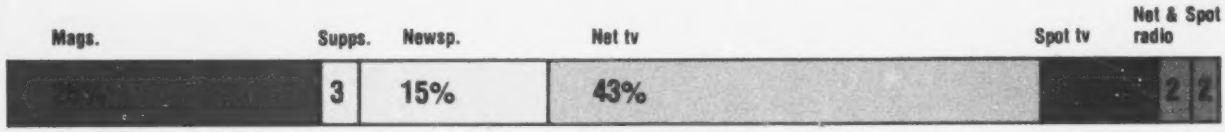
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$1,936	$29	$514	$26,134	$3,227	$42	$3,730	$21	$35,633
Percent	6%	*	1%	73%	9%	*	11%	*	100%

3 apparel advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,195	$372	$1,251	$44,642	$7,312	$1,381	$3,845	$15	$66,013
Percent	11%	*	2%	68%	11%	2%	6%	*	100%

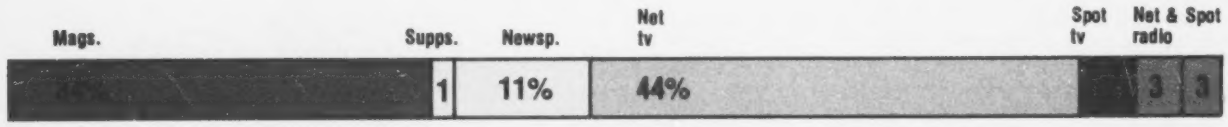
5 appliances

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$47,509	$4,867	$27,156	$81,065	$18,338	$3,592	$4,071	$205	$186,803
Percent	25%	3%	15%	43%	10%	2%	2%	*	100%



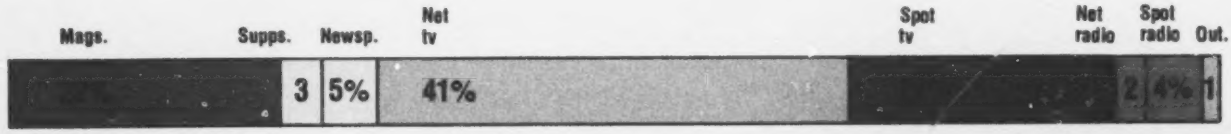
2 computer corporations

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$20,681	$417	$6,982	$26,987	$2,061	$1,636	$1,888	$95	$60,747
Percent	34%	1%	11%	44%	4%	3%	3%	*	100%



31 miscellaneous

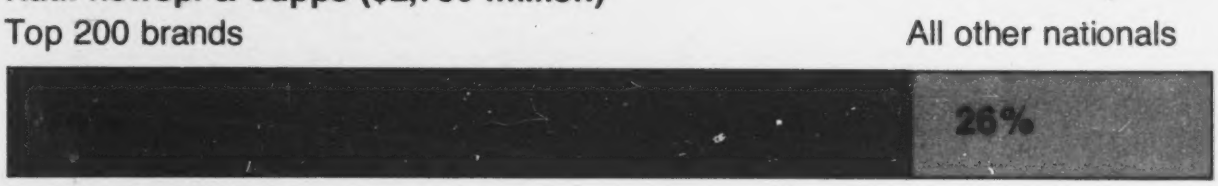
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$174,573	$23,235	$36,190	$331,222	$173,062	$17,964	$29,767	$7,552	$793,565
Percent	22%	3*	5%	41%	22%	2%	4%	1%	100%



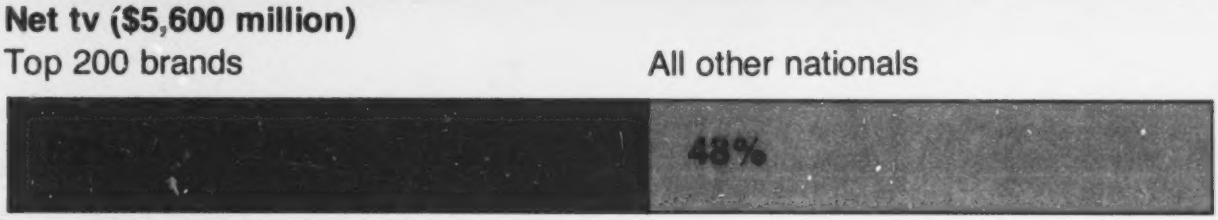
Extent to which national media rely on Top 200 brands for support

Magazines ($3,500 million)

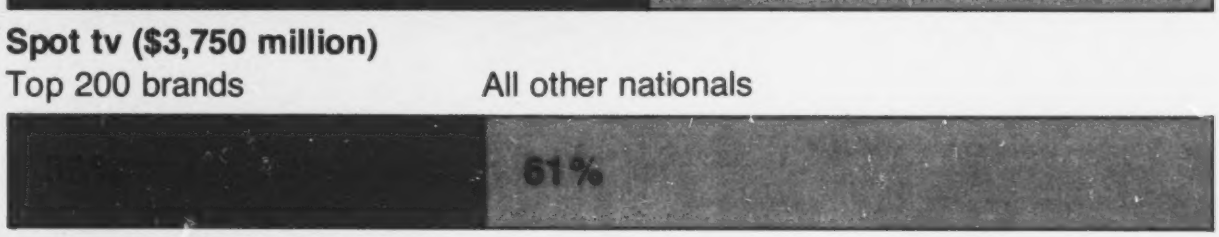
Natl. newsp. & supps ($2,730 million)



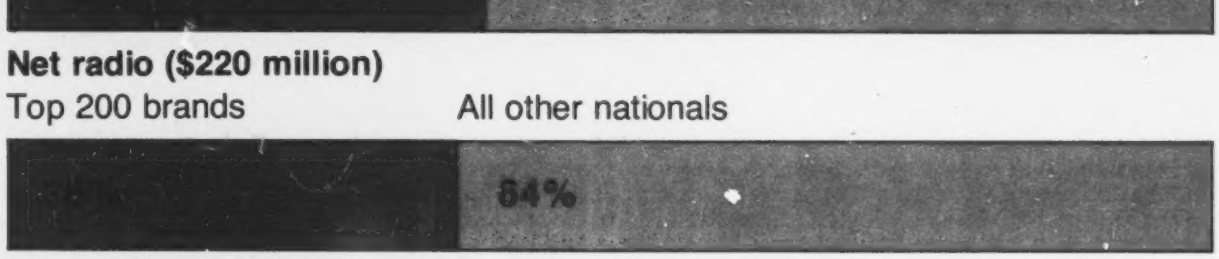
Net tv ($5,600 million)



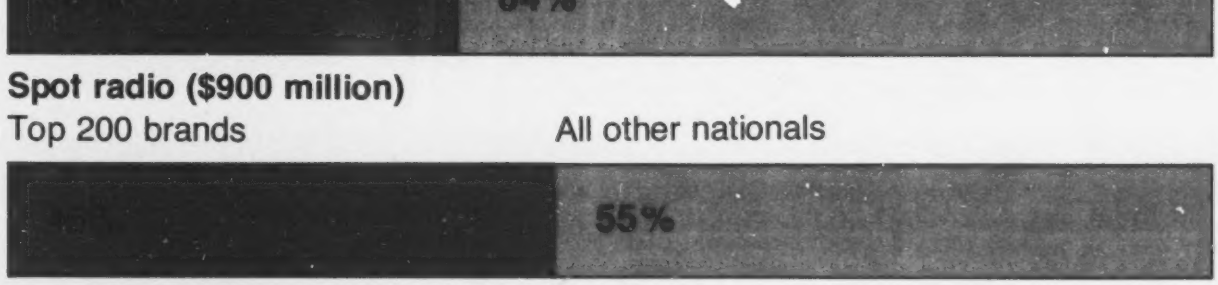
Spot tv ($3,750 million)



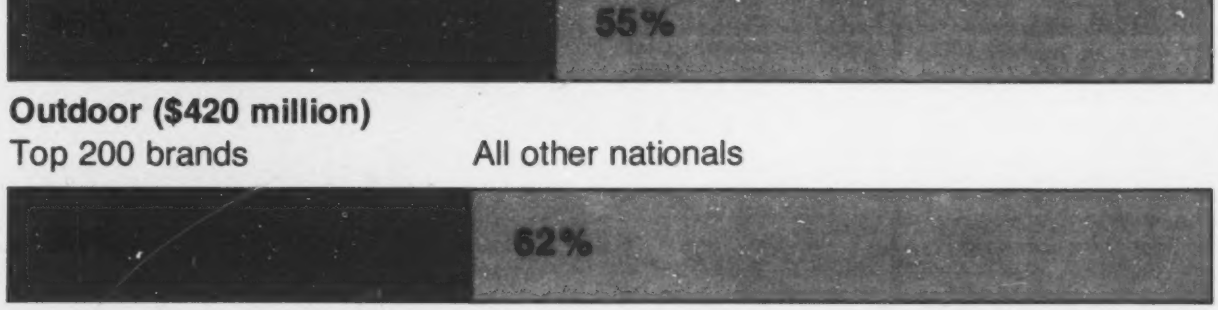
Net radio ($220 million)



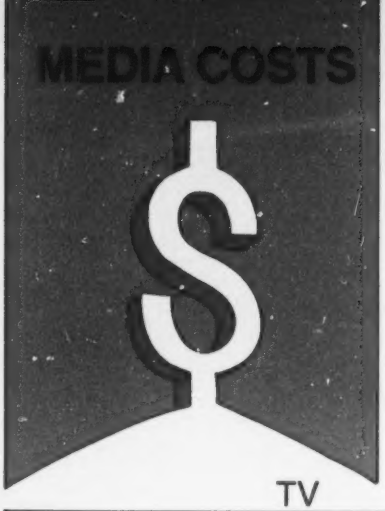
Spot radio ($900 million)



Outdoor ($420 million)



Sources: Decisions Top 200 Brands, McC-E Total Media Expenditures.



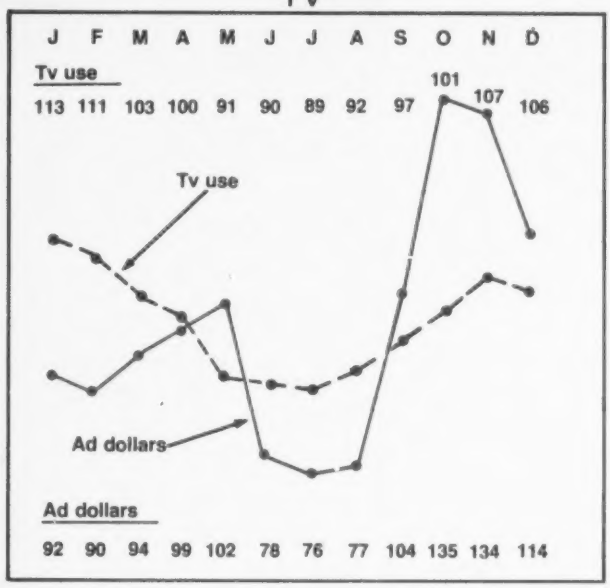
Seasonal variation in ad dollars vs audience values

Audience values and amount of expenditures seasonally show the criss-cross patterns in the charts below.

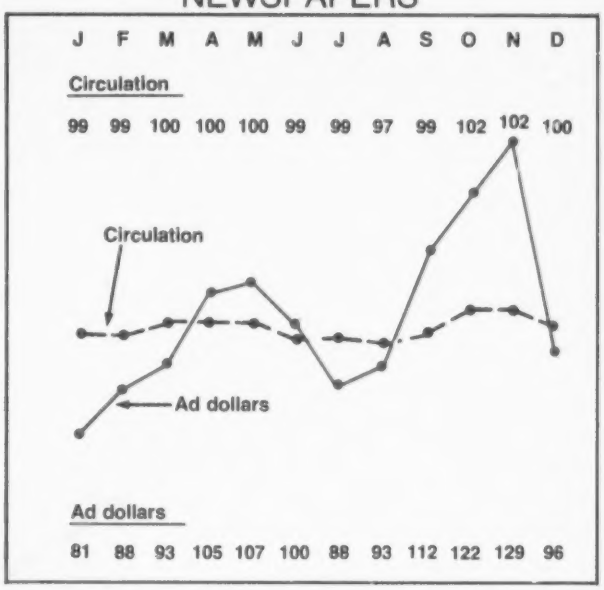
Most important thing about these charts is the seasonal opportunities they show. Where listening, viewing, reading is higher than ad dollars, advertisers are getting more value in absence of clutter and competition for attention but they aren't buying.

In some cases it makes sense for advertisers to lump their ad dollars to match buying seasons. However, much of the variation shown in these charts is based on false assumptions. The indexes are based on tv use per tv home per day, radio average quarter hour listening by persons 12 or over, magazine reading (TGI 1973-74), daily newspaper circulation.

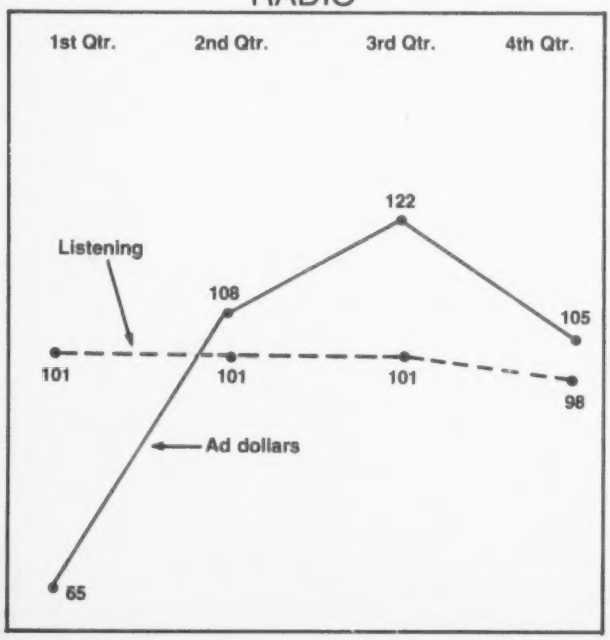
TV



NEWSPAPERS



RADIO



MAGAZINES